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### YASONS CHEMEX CARE LIMITED

Corporate Identification Number: U24304GJ2017PLC099511

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL	
4th floor, 412 Sigma Icon-1, 132ft Ring Road, Opp. Medilink Hospital, Satellite, Ahmedabad, Gujarat-380015 India.	NA	Himali Maheshbhai Thakkar , Company Secretary & Compliance Officer	<a href="mailto:vccl@yashchemex.com">vccl@yashchemex.com</a>	
TELEPHONE / MOBILE NO.	WEBSITE			
+91 079400 28639	<a href="http://www.yasonschemexcare.com">www.yasonschemexcare.com</a>			
OUR PROMOTER: YASH CHEMEX LIMITED				
Type	Fresh Issue Size	OFS size (by no. of shares or by amount in Rs)	Total Issue Size	Eligibility
Fresh Issue	Upto 51,42,000] Equity shares aggregating up to ₹ [•] Lakhs	NA	Up to ₹ [•] Lakhs	The Issue is being made pursuant to Regulation 229(2) of SEBI (ICDR) Regulations. As the Company's post issue paid up capital is less than or equal to ₹100.00 lakhs
DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS - NA				
RISK IN RELATION TO THE FIRST ISSUE				
This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [•] times of the face value of the Equity Shares. The Issue Price determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Issue Price" on page 100 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 or regarding the price at which the Equity Shares will be traded after listing.				
GENERAL RISKS				
Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in 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 ("SEBI") 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 chapter titled "Risk Factors" beginning on page 30 of this Draft Prospectus.				
COMPANY'S ABSOLUTE RESPONSIBILITY				
Our Company, 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 this Draft Prospectus are proposed to be listed on the EMERGE platform of NSE India ('NSE'), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In - Principle approval letter dated [•] from NSE Limited.				
LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE		
 <p><b>FEDEX SECURITIES PRIVATE LIMITED</b> B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East], Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 E-mail: <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> Website: <a href="http://www.fedsec.in">www.fedsec.in</a> Contact Person: Saipan Sanghvi SEBI Registration Number: INM000010163 Investor Grievance E-Mail: <a href="mailto:mb@fedsec.in">mb@fedsec.in</a></p>		 <p><b>KARVY FINTECH LIMITED</b> (Formerly KFin Technologies Private Limited) Selenium Tower B Plot 31-32 Gachibowli Financial District, Nanakramguda, Serilinn-gampally, Hyderabad, Telangana- 500032. Tel No.: +91 40 6716 2222/18003094001 Fax No.: +91 40 2343 1551 Email: <a href="mailto:yasons.ipo@kfintech.com">yasons.ipo@kfintech.com</a> Investor Grievance id: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> Website: <a href="http://www.kfintech.com">www.kfintech.com</a> Contact Person: M.Murali Krishna SEBI Registration No.: INR000000221</p>		
ISSUE PROGRAMME				
ISSUE OPENS ON: [•]		ISSUE CLOSES ON: [•]		



**YASONS CHEMEX CARE LIMITED**

Our Company was originally incorporated on October 17, 2017 at Ahmedabad as —Yasons Chemex Care Limited under the provisions of the Companies Act, 2013 with the Registrar of Companies, Gujarat vide certificate of incorporation bearing Corporate Identification Number U24304GJ2017PLC099511.

**Registered Office:** 4th floor, 412 Sigma Icon-1, 132ft Ring Road, Opp. Medilink Hospital, Satellite, Ahmedabad, Gujarat-380015 India.

**Tel No. / Mob No:** +91 079400 28639 ; **Email:** [yccl@yashchemex.com](mailto:yccl@yashchemex.com) ; **Website:** [www.yasonschemexcare.com](http://www.yasonschemexcare.com)

**Contact Person:** Himali Maheshbhai Thakkar, Company Secretary & Compliance Officer

**OUR PROMOTER: YASH CHEMEX LIMITED**

**THE ISSUE**

INITIAL PUBLIC ISSUE OF UPTO 51,42,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF YASONS CHEMEX CARE LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (THE "ISSUE PRICE"), (INCLUDING A PREMIUM OF ₹ [•] PER EQUITY SHARE), AGGREGATING ₹ [•] LAKHS ("THE ISSUE"), OF WHICH [•] EQUITY SHARES OF FACE VALUE OF ₹ 10/- FOR CASH AT A PRICE OF ₹ [•] EACH AGGREGATING ₹ [•] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE, AGGREGATING TO ₹ [•] LAKHS IS HERE IN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [•] % AND [•] % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO 282 OF THIS DRAFT PROSPECTUS.

**SUBJECT TO FINALISATION OF THE BASIS OF ALLOTMENT**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS [•] 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 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED AND RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 293 OF THIS DRAFT PROSPECTUS.

All potential investors shall participate in the Issue through an Application Supported by the Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, please refer to the chapter titled "Issue Procedure" on page 293 of this Draft Prospectus. A copy of the Draft Prospectus will be filed with the Registrar of Companies in accordance with Section 26 of the Companies Act, 2013.

**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 Share and the Issue price is ₹ [•] per Equity Share and the Issue Price is [•] 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 100 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in 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 chapter titled "Risk Factors" beginning on page 30 of this Draft Prospectus.

**COMPANY'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regards 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 this Draft Prospectus are proposed to be listed on the EMERGE platform of NSE India ('NSE'), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle Approval letter dated [•] from NSE Limited for using its name in this Offer Document for listing of our shares on the EMERGE platform of NSE India shall be the Designated Stock Exchange.

**LEAD MANAGERS TO THE ISSUE**

**REGISTRAR TO THE ISSUE**



**FEDEX SECURITIES PRIVATE LIMITED**

B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East],  
Mumbai - 400 057, Maharashtra, India  
**Tel No.:** +91 81049 85249  
**E-mail:** [mb@fedsec.in](mailto:mb@fedsec.in)  
**Website:** [www.fedsec.in](http://www.fedsec.in)  
**Contact Person:** Saipan Sanghvi  
**SEBI Registration Number:** INM000010163  
**Investor Grievance E-Mail:** [mb@fedsec.in](mailto:mb@fedsec.in)



**KARVY FINTECH LIMITED**

(Formerly KFin Technologies Private Limited)  
Selenium Tower B Plot 31-32 Gachibowli Financial District, Nanakramguda, Serilimgampally, Hyderabad, Telangana- 500032.  
**Tel No.:** +91 40 6716 2222/18003094001  
**Fax No.:** +91 40 2343 1551  
**Email:** [yasons.ipo@kfintech.com](mailto:yasons.ipo@kfintech.com)  
Investor Grievance id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
**Website:** [www.kfintech.com](http://www.kfintech.com)  
**Contact Person:** M.Murali Krishna  
**SEBI Registration No.:** INR000000221

**ISSUE PROGRAMME**

<b>ISSUE OPENS ON:</b>	
<b>ISSUE CLOSES ON:</b>	

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## SECTION - I – GENERAL

### DEFINITION 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, to the extent applicable, the meaning ascribed to such terms under SEBI ICDR Regulations 2018, the Companies Act 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “*Statement of Tax Benefits*”, “*Restated Financial Statement*”, “*Outstanding Litigations and Material Developments*”, “*Key Industry Regulations and Policies*” and chapters titled “*Main Provision of Articles of Association*” on pages, 104, 186, 256, 118 and 329 respectively of this Draft Prospectus, shall have the meanings ascribed to such terms in the respective chapters.

### CONVENTIONAL OR GENERAL TERMS

Term	Description
“Yasons Chemex Care Limited” “YCCL”, “We” or “us” or “Our Company” or “the Issuer”	Unless the Context Otherwise Indicates or implies refers to Yasons Chemex Care Limited. A Public Limited Company incorporated under the provisions of the Companies Act, 2013 with its registered office at, the 4th floor, 412 Sigma Icon-1, 132ft Ring Road, Opp. Medilink Hospital, Satellite, Ahmedabad, Gujarat-380015 India.
Promoter(s) / Holding Company	Yash Chemex Limited (“YCL”)
“you”, “your” or “yours”	prospective investors in this Issue.

### CORPORATE RELATED TERMS

Term	Description
AOA / Articles / Articles of Association	The Articles of Association of Yasons Chemex Care Limited, as amended from time to time
Audit Committee	The Audit Committee of our Board constituted in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and as described in the chapter titled “ <i>Our Management</i> ” beginning on page 161 of this Draft Prospectus
Auditors / Statutory Auditors / Peer Review Auditor	The Statutory Auditor and Peer Review Auditor of our Company, being M/s. H S K & Co. LLP, Chartered Accountants (FRN: 117014W) and Peer Review Number: 013402
Board / Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted from time to time including any Committees thereof as the context may refer to the chapter titled “ <i>Our Management</i> ” beginning on page 161 of this Draft Prospectus
Chairman/ Chairperson	The Chairman of the Board of Directors of our Company being Pritesh Yashwantlal Shah

Term	Description
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Kiritkumar Harjivandas Shah
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Himali Maheshbhai Thakkar
Corporate Identification Number (CIN)	U24304GJ2017PLC099511
Director(s)	Director(s) on the Board of Yasons Chemex Care Limited as appointed from time to time, unless otherwise specified
Equity Shares/Shares	Equity Shares of our Company having face value of ₹ 10.00/- each, fully paid up, unless otherwise specified in the context thereof
Executive Directors	Executive directors are the Managing Director and Whole-time Directors of our Company
Equity Shareholders / Shareholders	Persons /entities holding Equity Shares of our Company
Group Companies	Companies (other than our corporate promoter 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 the chapter titled <b>“Our Group Companies”</b> beginning on page 161 of this Draft Prospectus
Holding Company	Yash Chemex Limited, our Promoter of our Company
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 the chapter titled <b>“Our Management”</b> beginning on page 161 of this Draft Prospectus
ISIN	International Securities Identification Number is INE08S201019
Key Management Personnel /KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer to the chapter titled <b>“Our Management”</b> beginning on page 161 of this Draft Prospectus
Managing Director	Managing director of our Company, Pritesh Yashwantlal Shah. For details, please refer to the chapter titled <b>“Our Management”</b> beginning on page 161 of this Draft Prospectus
Market maker	The market maker of our Company being [ ● ]
Materiality Policy	The policy adopted by our Board on December 09, 2022, for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination & Remuneration Committee	The Nomination and Remuneration Committee of the Board of Directors constituted in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and as described in the chapter titled <b>“Our Management”</b> beginning on page 161 of this Draft Prospectus
NRIs / Non-Resident Indian	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
Non-Executive Director	A Director not being an Executive Director
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company

Term	Description
	partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Promoter Group	Such persons, entities, and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of SEBI ICDR Regulations as disclosed in the chapter titled <b>“Our Promoter and Promoter Group”</b> beginning on page 179 of this Draft Prospectus
Registered Office	4th floor, 412 Sigma Icon-1, 132ft Ring Road, Opp. Medilink Hospital, Satellite, Ahmedabad, Gujarat-380015 India.
Registrar of Companies / ROC / RoC	Registrar of Companies, Ahmedabad ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India
Restated Financial Statements	The Restated Audited Financial Statements of our Company for the stub period for the six month period ended on September 30, 2022 and for the Financial Year ended March 31, 2022, March 31, 2021 and March 31, 2020, 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 the chapter titled <b>“Restated Financial Statements”</b> beginning on page 186 of this Draft Prospectus
Shareholders/ Members	Holders of equity shares of our Company from time to time
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 <b>“Our Management”</b> beginning on page 161 of this Draft Prospectus.

## ISSUE RELATED TERMS

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under SEBI ICDR Regulations and appended to the Application Forms
Acknowledgement Slip	The acknowledgement slips or document issued by the Designated Intermediary to an applicant as proof of having accepted 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)	A successful Applicant to whom the Equity Shares are being allotted
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
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus. All the applicants should make application through ASBA only.
Application Lot	[ ● ] 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 Prospectus
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by applicants to make an application and authorize an SCSB to block the application Amount in the ASBA Account

Term	Description
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by applicant for blocking the application Amount mentioned in the ASBA Form
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicant which will be considered as the application for Allotment in terms of the Prospectus
Bankers to the Company	Axis Bank
Banker to the Issue / Refund Banker / Public Issue Bank	Collectively, Escrow Collection Bank, Public Issue Bank, Sponsor Bank and Refund Bank, as the case may be. In this case, being, [●].
Bankers to the Issue Agreement	Banker to the Issue Agreement entered on [●], 2023 amongst our Company, Lead Manager, the Registrar to the Issue and Banker to the Issue / Sponsor Bank for collection of the Application Amount on the terms and conditions thereof.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in the chapter titled “ <b>Issue Procedure</b> ” beginning on page 293 of this Draft Prospectus.
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 Beneficiary Account
Collection Centers	Broker Centers notified by NSE Limited 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 EMERGE Platform of NSE Ltd.
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 NSE Limited 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.
Covid-19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organization.
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 centre of the CDPs where applicant can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of NSE Ltd

Term	Description
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 Bidders 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	[●] 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 the names and contact details of the RTAs are available on the NSE Ltd
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?doRecognise dFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognise dFpi=yes&amp;intmId=35</a>
Designated Stock Exchange	EMERGE platform of NSE India (NSE EMERGE)
Draft Prospectus	The Draft Prospectus issued in accordance with the SEBI ICDR Regulations.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the ASBA Form and the Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants.
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 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.
EMERGE Platform of NSE / SME Exchange/ Stock Exchange / NSE SME	The EMERGE Platform of NSE, approved by SEBI as an SME Exchange for a listing of equity shares offered under Chapter IX of the SEBI (ICDR) 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 refunds, 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 [●].



Term	Description
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First 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 SEBI, suitably modified and included in the chapter titled “ <b>Issue Procedure</b> ” beginning on page 293 of this Draft Prospectus
Issue / Issue Size / Public Issue / IPO	Initial Public Issue of up to 51,42,000 Equity Shares of face value of ₹ 10.00 each of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs.
Issue Agreement	The agreement dated January 05, 2023 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	The date on which the Issue closes for subscription.
Issue Opening Date	The date on which the Issue opens for subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date (inclusive of 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. Our Company, in consultation with the Lead Manager, may decide to close applications by QIBs one (1) day prior to the Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Issue Opening Date was published.
Issue Price	₹ [●] per Equity Share (Including Premium of ₹ [●] per share)
Issue Proceeds	The proceeds from the Issue based on the total number of equity shares allotted under the issue.
Lead Manager/ LM	The Lead Manager to the Issue namely, Fedex Securities Private Limited
Listing Agreement	The Listing Agreement to be signed between our Company and EMERGE Platform of NSE India (NSE Emerge).
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Making Agreement	The Market Making Agreement dated [●], 2023 between our Company, the Lead Manager and Market Maker.
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at a price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs 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
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value ₹10.00/- each fully paid-up of our

Term	Description
	Company for cash at a price of ₹ [●] /- per Equity Share aggregating up to ₹ [●] Lakhs
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 91 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.
Overseas Corporate Body/ OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
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.
Public Issue Account	The account to be opened with the Banker to the Issue under section 40 of Companies Act, 2013 to received monies from the ASBA Accounts.
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of SEBI ICDR Regulations.
Refund Account	Account to which Application monies are to be refunded to the Bidders
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Refund Bank / Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●].
Registered Brokers	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of National Stock Exchange of India 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/14/2012 dated October 4, 2012
Registrar Agreement	The agreement dated December 30, 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 to the Issue/Registrar	Registrar to the Issue being is KFin Technologies Limited (Formerly known as Karvy fintech Private Limited)
Resident Indian	A person resident in India, as defined under FEMA
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 ₹ 2,00,000.

Term	Description
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.
SME	Small and medium sized enterprises
Self-Certified Syndicate Bank(s) / SCSBs	A bank registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA a list of which is available on website of SEBI ( <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognise&amp;Fpi=yes&amp;intmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognise&amp;Fpi=yes&amp;intmId=35</a> )
Sponsor Bank	Sponsor Bank being [ ● ] being a Banker to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIIs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
Specified Locations	Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time.
Stock Exchanges	EMERGE platform of NSE India (NSE EMERGE).
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.
Underwriter	[ ● ]
Underwriting Agreement	The Agreement dated [ ● ], 2023 entered between the Underwriter and our Company
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular No SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/ dated March 16, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard

Term	Description
UPI ID	ID Created on the UPI for single-window mobile payment system developed by NPCI
UPI PIN	Password to authenticate UPI transaction
UPI Mandate Request	A request (intimating the RIIs by way of a notification on the UPI application and by way of a SMS directing the RIIs 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 In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time
UPI Mechanism	The bidding mechanism that may be used by RIIs in accordance with the UPI Circulars to make an ASBA Bid in the Issue
UPI PIN	Password to authenticate UPI transaction.
U.S Securities Act	U.S Securities Act of 1933, as amended
Wilful Defaulter or a fraudulent borrower	An entity or a person categorized as a Wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (III) of the SEBI ICDR Regulations.
Working Days	“Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in city as mentioned in this Draft Prospectus are open for business and in case of the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

#### TECHNICAL /GENERAL AND INDUSTRY RELATED TERMS OR ABBREVIATIONS

Term	Description
API	Active Pharmaceutical Ingredients
CAGR	Compound annual growth rate
ETP	Effluent Treatment Plant
FDI	Foreign Direct Investment
FMCG	Fast-moving consumer goods
GIDC	Gujarat Industrial Development Corporation
GPCB	Gujarat Pollution Control Board
GDP	Gross Domestic Product
GVA	Gross Value Added
GST	Goods and Services Tax
IMF	International Monetary Fund
MoU	memorandum of understanding
MT	Metric Tonnes
MTPA	Metric Control Per Annum
R&D	Research and Development
PLI	production linked incentive
SEZ	Special economic zone

## CONVENTIONAL TERMS & ABBREVIATIONS

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Bn	Billion
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2016, as amended
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CGST	Central GST
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
COPRA	The Consumer Protection Act, 1986
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from October 15, 2020 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Contract Act	The Indian Contract Act, 1872
CSR	Corporate Social Responsibility
CY	Calendar Year
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP	Depository Participant
DP ID	Depository Participant's identity number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Electricity Act	The Electricity Act, 2003
EPFO	Employees' Provident Fund Organization
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	The Employees' State Insurance Act, 1948
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme

Term	Description
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA Act/ FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal Year / FY	Unless stated otherwise, the period of twelve (12) months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/Government	Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
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
IBEF	India Brand Equity Foundation
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IEC	Import Export Code
IEM	Industrial Entrepreneurs Memorandum
IFRS	International Financial Reporting Standards
Rs. / Rupees / INR / ₹	Indian Rupees
IGST	Integrated GST
IT Act	Income-tax Act, 1961
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
Ind AS 24	Indian Accounting Standard 24, "Related Party Disclosures", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
KMP	Key Managerial Personnel
Ltd.	Limited
LMs	Lead Managers
IT Act	Income-tax Act, 1961

Term	Description
IT Rules	Income Tax Rules, 1962
Kms	Kilometres
LC	Letter of Credit
LIBOR	London Interbank Offered Rate
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of funds-based lending rate
Mn	Million
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996
MoU	Memorandum of Understanding
N.A. / NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	Reserve Bank of India
RONW	Return on Net Worth
RoCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEZ	Special Economic Zones
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web based complaints redressal system launched by SEBI
SEBI	The Securities and Exchange Board of India constituted under SEBI Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

<b>Term</b>	<b>Description</b>
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI Takeover Regulations/ SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Sq. metres	Square Metres
Sq. ft	Square feet
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TPA	Tonnes Per Annum
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be
WCTL	Working Capital Term Loan
WEO	World Economic Outlook
WDV	Written Down Value
w.e.f	With effect from
WHO	World Health Organization
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 the 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;
- Our business and financial performance is particularly based on market demand and supply of our products;
- Failure to successfully upgrade our products, from time to time;
- Our failure to keep pace with rapid changes in technology;
- Competition from existing and new companies 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;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition;
- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Market fluctuations and industry dynamics beyond our control;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Termination of clients/ works contracts without cause and with little or no notice ;
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or non- compliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.
- An adverse change in the regulations governing our products and the products of our customers;

For further discussion of factors that could cause the actual results to differ from the expectations, see the chapter titled “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 30 , 118 and 241 of this Draft Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect 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 Lead Manager, 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 in this Draft Prospectus to 'India' are to the Republic of India and its territories and possessions and all references herein to the 'Government', 'Indian Government', 'GoI', 'Central Government' or the 'State Government' are to the GoI, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Prospectus is in Indian Standard Time ("IST").

Unless indicated otherwise, all references to a year in this Draft Prospectus are to a calendar year.

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Rupees and Lakh.

In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

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 Restated Financial Statements of our Company for the six months period ended September 30, 2022 and for the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 prepared in accordance with Indian AS, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian AS and Guidance Note on "Reports in Company Prospectus", as amended issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the chapter titled "**Restated Financial Statements**" beginning on page 186 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. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Unless stated otherwise or the context requires otherwise, the financial information and financial ratios in this Draft Prospectus have been derived from our Restated Financial Statements.

There are significant differences between Indian GAAP, IFRS Ind AS and U.S. AS. 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 this Draft Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the chapters titled "**Risk Factors**", "**Business Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on pages 30, 118 and 241, respectively, of this Draft Prospectus and elsewhere in the Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our Restated Financial Statements prepared in accordance with Indian AS, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian AS as stated in the report of our Peer Review Auditor,

set out in chapter titled “*Restated Financial Statements*” beginning on page 186 of this Draft Prospectus.

For additional definitions used in this Draft Prospectus, see the chapter titled “*Definitions and Abbreviations*” beginning on page 2 of this Draft Prospectus. In the chapter titled “*Main Provisions of the Articles of Association*”, beginning on page 326 of this Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

## **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 by the Lead Manager or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

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’ or “₹” 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’.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

### **Exchange Rates**

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

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

Currency#	As on September 30, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
1 USD	81.55	75.81	73.50	75.39

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

Note: In case March 31 of any of the respective years / period is a public holiday, the previous Working Day not being a public holiday has been considered

All figures are rounded up to two decimals

## **NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES**

The Equity Shares have not been and will not be registered under the Securities Act, 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 Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in “offshore transactions”, as defined in, and in reliance on Regulation S.

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 Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction

## SUMMARY OF OFFER DOCUMENT

This chapter is a general summary of certain disclosures included in this Draft Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including the chapters titled “*Risk Factors*”, “*Business Overview*”, “*Industry Overview*”, “*Capital Structure*”, “*The Issue*” and “*Outstanding Litigation and Other Material Developments*” beginning on pages 30,118,108 ,69 , 55 and 256 and respectively of this Draft Prospectus.

### SUMMARY OF BUSINESS

Our Company is in the business of manufacturing of a) dyes and pigment paste; and b) FMCG products

We also trade in both dyes, and pigments paste, which is primarily for meeting customer requirements. Some of our customers require a range of dyes or pigment paste besides the products we manufacture and sell. In these cases, we purchase the products, which are not manufactured by us and cater to the entire requirements of our customers.

### SUMMARY OF INDUSTRY

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

For more details, please refer to chapter titled “*Industry Overview*” beginning on page 108 of this Draft Prospectus.

### PROMOTER

The Promoter of our Company is Yash Chemex Limited. For further details, please refer to the chapter titled “*Our Promoter and Promoter Group*” beginning on page 179 of this Draft Prospectus.

### ISSUE SIZE

The Issue size comprises of issuance of up to 51,42,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share (including premium of ₹ [●]/- per share) aggregating to ₹ [●] Lakhs. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on December 09, 2022 and approved by the shareholders of our Company vide a special resolution at the Extraordinary General Meeting held on December 20, 2022 pursuant to section 62(1)(c) of the Companies Act.

### OBJECTS OF THE ISSUE

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

(₹ in Lakhs)

Particulars	Amount
Funding the incremental working capital requirements of our Company	[■]
General corporate purposes*	[■]
<b>Total</b>	<b>[■]</b>

*\*the amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Issue*

**PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP**

Particulars	Pre-Issue	
	Number of Shares	% holding
<b>Promoter (A)</b>		
Yash Chemex Limited	99,35,400	70.16%
<b>Total (A)</b>	<b>99,35,400</b>	<b>70.16%</b>
<b>Promoter Group (B)</b>		
NIL	Nil	Nil
<b>Total (B)</b>	Nil	Nil
<b>Total (A+B)</b>	<b>99,35,400</b>	<b>70.16%</b>

**SUMMARY OF FINANCIAL INFORMATION**

Particulars	For the Six months period ended September 30, 2022	For the year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Share Capital (₹ in Lakhs)	590.08	590.08	590.08	590.08
Networth (₹ in Lakhs)	1,997.44	1,728.57	1,532.94	1,407.14
Total Revenue (₹ in Lakhs)	1,471.59	2,617.01	1,804.79	1,961.55
Profit after Tax (₹ in Lakhs)	268.85	195.41	125.35	115.51
Earnings per share (Basic & diluted) (₹)	1.90	1.38	0.89	0.82
Net Asset Value per Equity Share (Basic & diluted) (₹)	14.10	12.21	10.82	9.94
Total borrowings (₹ in Lakhs)	307.59	281.40	269.04	46.16

**QUALIFICATIONS OF AUDITORS**

There are no qualifications included by our Statutory Auditors in the financial statements which have not been given effect to in the Restated Financial Statement.

**SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS**

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

Nature of Cases	Number of Cases	Amount (₹ in Lakhs)
<b>Proceedings against our Company</b>		
Statutory / Regulatory authorities	NIL	Nil
Taxation	01	0.43
Others - against our Company	NIL	NIL
Others - by our Company	NIL	NIL
<b>Proceedings against our Directors</b>		
Statutory / Regulatory authorities	NIL	NIL
Taxation	09	1029.12
Others - against our Directors	NIL	NIL
Others - by our Directors	NIL	NIL
<b>Proceedings against our Promoter</b>		
Statutory / Regulatory authorities	NIL	NIL
Taxation	10	368.57

Nature of Cases	Number of Cases	Amount (₹ in Lakhs)
Others- against our Promoter	NIL	NIL
Others – by our Promoter	NIL	NIL
Statutory / Regulatory authorities	NIL	NIL
<b>Proceeding involving LLP</b>		
Statutory/ Regulatory Authorities	NIL	NIL
Others- against LLP	1	0.03
Others – by LLP	NIL	NIL

For further details, please refer chapter titled “*Outstanding Litigations & Material Developments*” beginning on page 256 of this Draft Prospectus.

### **RISK FACTORS**

For details relating to risk factors, please refer chapter titled “*Risk Factors*” beginning on page 30 of this Draft Prospectus.

### **SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY**

Particulars	As on September 30, 2022
Income Tax demands / Notices before CIT Appeals / TDS	0.43
<b>Total</b>	<b>0.43</b>

### **SUMMARY OF RELATED PARTY TRANSACTIONS**

**Particulars of transactions with related parties:**

(₹ in Lakhs)

*[this space is intentionally left blank]*



Sr . No	Name of Related Party	Relation	Nature	Transactions for			
				six months period ended September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1	Yash Chemex Limited	Holding Company	Purchase	140.39	326.05	498.36	631.76
2	Yash Chemex Limited	Holding Company	Sales	42.58	128.03	111.90	25.60
3	Yash Chemex Limited	Holding Company	Investment in Equity Shares	80.64	73.35	-	9.00
4	Yash Chem	Entities over which KMP and their Relatives are able to exercise significant influence or control	Purchase	27.06	119.54	65.29	404.51
5	Yash Chem	Entities over which KMP and their Relatives are able to exercise significant influence or control	Sales	50.57	33.88	68.37	-
6	Pritesh Yashwantlal Shah	Directors, Key Management Personnel	Remuneration	3.10	5.00	-	-
7	Dimple Priteshkumar Shah	Directors, Key Management Personnel	Remuneration	3.77	4.00	-	-
8.	Dimple Pritesh Shah	Directors, Key Management Personnel	Loans Given	28.03	-	-	-
9.	Dimple Pritesh Shah	Directors, Key Management Personnel	Loans Received Back	7.38	-	-	-

10	Aadish Kalpesh Bhai Shah	Directors, Key Management Personnel	Remuneration	-	-	-	3.50
11	Aadish Kalpesh Bhai Shah	Directors, Key Management Personnel	Borrowings Repayment	-	-	-	2.22
12	Yash Corporation	Entities over which KMP and their Relatives are able to exercise significant influence or control	Purchase	35.25	129.06	158.37	163.71
13	Yash Corporation	Entities over which KMP and their Relatives are able to exercise significant influence or control	Sales	11.60	78.60	107.41	0.06
14	Rishit Polysurf LLP	Entities over which KMP and their Relatives are able to exercise significant influence or control	Purchase	164.23	180.98	0.07	-
15	Rishit Polysurf LLP	Entities over which KMP and their Relatives are able to exercise significant influence or control	Sales	5.80	17.85	4.00	-
16	Rishit Polysurf LLP	Entities over which KMP and their Relatives are able to exercise significant influence or control	Loans Given	-	139.84	141.78	21.79

17	Rishit Polysurf LLP	Entities over which KMP and their Relatives are able to exercise significant influence or control	Loan Received Back	56.95	-	-	-
18	Ronak Mehta (Proprietor of RJ CHEM)	Entities over which are able to exercise significant influence or control	Purchase	259.63	374.11	122.83	23.20
19	Ronak Mehta (Proprietor of RJ CHEM)	Entities over which are able to exercise significant influence or control	Sales	49.66	252.89	73.69	178.34
20	Ronak Mehta (Proprietor of RJ CHEM)	Entities over which are able to exercise significant influence or control	Loan Received Back	-	-	-	55.25
21	Ronak Mehta (Proprietor of RJ CHEM)	Entities over which are able to exercise significant influence or control	Interest Income	-	-	-	0.93
22	Rahul Shah (Proprietor of RK Enterprise)	Entities over which are able to exercise significant influence or control	Purchase	7.28	12.96	53.24	80.64
23	Rahul Shah (Proprietor of RK Enterprise)	Entities over which are able to exercise significant influence or control	Sales	81.57	40.89	115.57	0.34

24	Rahul Shah (Proprietor of RK Enterprise)	Entities over which are able to exercise significant influence or control	Loan Received Back	-	-	7.14	31.58
25	Rahul Shah (Proprietor of RK Enterprise)	Entities over which are able to exercise significant influence or control	Interest Income	-	-	-	1.39
26	Rahul Shah (Proprietor of RK Enterprise)	Entities over which are able to exercise significant influence or control	Interest Income	-	-	-	1.39

**Outstanding Balances at the year-end of related parties**

(₹ in Lakhs)

Sr. No	Name of Related Party	Relation	Outstanding Balance			
			as at September 30, 2022	as at March 31, 2022	As at March 31, 2021	as at March 31, 2020
1	Yash Chemex Limited	Holding Company	(45.12)	(44.17)	(333.13)	6.30
2	Yash Chem	Entities over which KMP and their Relatives are able to exercise significant influence or control	151.95	177.31	169.92	(394.72)
3	Yash Corporation	Entities over which KMP and their Relatives are able to exercise significant influence or control	179.38	-	-	-
4	Rishit Polysurf LLP	Entities over which KMP and their Relatives are	(22.60)	-	-	-

Sr. No	Name of Related Party	Relation	Outstanding Balance			
			as at September 30, 2022	as at March 31, 2022	As at March 31, 2021	as at March 31, 2020
		able to exercise significant influence or control				
5	Rishit Polysurf LLP	Entities over which KMP and their Relatives are able to exercise significant influence or control	246.46	303.41	163.57	21.79
6.	Dimple Pritesh Shah	Directors, Key Management Personnel	20.65	-	-	-
7	Ronak Mehta (Proprietor of RJ CHEM)	Entities over which KMP and their Relatives are able to exercise significant influence or control	(38.85)	161.80	86.05	228.78
8	Rahul Shah (Proprietor of RK Enterprise)	Entities over which KMP and their Relatives are able to exercise significant influence or control	14.56	19.80	84.75	13.07

#### FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, 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 OUR PROMOTER IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

The weighted average price at which the Equity Shares were acquired by our Promoter in the one year preceding the date of this Draft Prospectus.

Name	Number of Shares	Weighted Average Cost of Acquisition per Equity Share (in ₹)
Yash Chemex Limited	67,04,650	4.88

*\*As certified by M/s H S K & Co. LLP, Chartered Accountants, pursuant to their certificate dated January 20, 2023*

#### **AVERAGE COST OF ACQUISITION**

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

Name	Number of Equity shares held	Average Cost of Acquisition per Equity Share (in ₹)
Yash Chemex Limited	99,35,400	8.99

*\*As certified by M/s H S K & Co. LLP, Chartered Accountants, pursuant to their certificate dated January 20, 2023.*

#### **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 (1) YEAR**

Date of Issue/ Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Name of Allottees	Benefits Accrued
December 22, 2022	82,61,120	10	Nil	Bonus Issue	Refer note 1	Capitalization of Reserve

Note 1: Allotment of 7,000 equity shares to Rakesh Dhirubhai Patel, 21,000 equity shares to Anitaben Ashishkumar Gandhi, 35,000 equity shares to Trupti Jigneshbhai Soni, 2,45,000 equity shares to Shaileshbhai Mohanbhai Patel, 4,200 equity shares to Dhruvil Mayankkumar Shah, 1,05,000 equity shares to Amit Vimal Doshi, 29,176 equity shares To Lalitkumar Tilokchand Shah, 29,162 equity shares to Harakchand Ramanlal Shah, 29,162 equity shares to Naresh Jivraj Shah, 29,176 equity shares to Gambhirmal Ramanlal Shah, 29,162 equity shares to Jitendra Kantilal Shah, 29,162 equity shares to Dinesh Ramanlal Shah, 42,000 equity shares to Sunil Mangaldas Doshi, 4200 equity shares to Ami Sunil Doshi, 35,000 equity shares to Brijesh Mahendrabhai Patel, 1400 equity shares to Kishorkumar Vrajlal Rakholiya, 20,300 equity shares to Bharatbhai Ranchhodhbhai Rakholia, 21,000 equity shares to Girdharilal Purohit, 7000 equity shares to Ruchit Bipinkumar Rakholiya, 5600 equity shares to Hirenkumar Nanjibhai Kakadiya, 7000 equity shares to Bandish Manveshkumar Shah, 84,000 equity shares to Manvesh Babulal Shah, 94150 equity shares to Sapna Bhavik Shah, 21,000 equity shares to Ashmitaben Vijaykumar Gandhi, 72,520 equity shares to Minaxiben Lakhani, 4,18,180 equity shares to Lakhani Jignesh Jasmatbhai (Huf), 70,000 equity shares to Jigneshbhai Jasmatbhai Lakhani, 14,000 equity shares to Chirag Damjibhai Katrodiya, 87,500 equity shares to Aashar Capital Services Private Limited, 5,320 equity shares to Mukeshbhai Shamjibhai Anghan, 14,000 equity shares to Mitesh Laxmanbhai Chaklasia, 14,000 equity shares to Sunilbhai Zaverbhai Vaghasiya, 1,75,000 equity shares to Priyank J Rakholiya, 35,000 equity shares to Vasantkumar Sankabhai Patel, 35,000 equity shares to Pankaj Maganlal Patel, 35,000 equity shares to Rohitbhai Ishwarbhai Patel, 1,29,500 equity shares to Navinbhai Gordhandas Patel, 57,95,650 equity shares to Yash Chemex Limited, 70,000 equity shares to Bhavesh Pareshbhai Darji, 8,400 equity shares to Bhartiben Jitubhai Sanghvi, 35,000 equity shares to Mukeshkumar Kalidas Patel, 70,000 equity shares to Mitesh Champaklal Gandhi, 35,000 equity shares to Jatin Rajeshbhai Patel, 33,600 equity shares to Viral Ramgopal Gupta, 33,600 equity shares to Anil Ramnivas Gupta, 56,000 equity shares to Arti Bhaveshbhai Dholiya, 7000 equity shares to Dharmil Dilipkumar Shah, 42,000 equity shares to Mitesh Pankajkumar Soni, 35,000 equity

shares to Sanjay Rajguru. For details, please refer to chapter titled “*Capital Structure*” beginning on page 69 of this Draft Prospectus.

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

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Prospectus.

#### **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS GRANTED BY SEBI**

Our Company has not undertaken any exemption with related to provision of securities law granted by SEBI.

## SECTION - II - RISK FACTORS

An investment in our Equity Shares involves a certain degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Prospective investors should read this chapter in conjunction with “*Our Business*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 118, 108 and 241, respectively of, as well as the financial and other information contained in, this Draft Prospectus.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Draft Prospectus also contains forward-looking statements that involve risks, assumptions, estimates 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 see the chapter titled “*Forward-Looking Statements*” beginning on page 15 of this Draft Prospectus.

Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Statement for the six months period ended on September 30, 2022 and for financial year ended FY 2022, FY 2021 and FY 2020 included in this Draft Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this chapter. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

### Materiality

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

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

### INTERNAL RISK FACTORS

1. *There are outstanding legal proceedings involving the Company, our Directors, our Promoter and our LLP.*

There are outstanding legal proceedings involving the Company, its Directors, its Promoter and LLP. These proceedings are either currently being, or have already been adjudicated by various courts, tribunals and other authorities. The following table sets out brief details of such outstanding proceedings:

A brief detail of such outstanding litigations as on the date of this Draft Prospectus are as follows:

Nature of Cases	Number of Cases	Amount (₹ in Lakhs)
<b>Proceedings against our Company</b>		
Statutory / Regulatory authorities	NIL	Nil
Taxation	02	0.43
Others - against our Company	NIL	NIL



Nature of Cases	Number of Cases	Amount (₹ in Lakhs)
Others - by our Company	NIL	NIL
<b>Proceedings against our Directors</b>		
Statutory / Regulatory authorities	NIL	NIL
Taxation	09	1029.12
Others - against our Directors	NIL	NIL
Others - by our Directors	NIL	NIL
<b>Proceedings against our Promoter</b>		
Statutory / Regulatory authorities	NIL	NIL
Taxation	10	368.57
Others- against our Promoter	NIL	NIL
Others – by our Promoter	NIL	NIL
Statutory / Regulatory authorities	NIL	NIL
<b>Others- against LLP</b>	1	0.03
Others – by LLP	NIL	NIL
Statutory/ Regulatory Authorities	NIL	NIL

There can be no assurance that any of these matters will be settled in favour of our Company, our Directors, our Promoter or LLP or that no additional liability will arise out of these proceedings. For instance, BSE in the past has imposed penalties on the Promoter of the Company which was duly paid by our Promoter. There is no assurance that our Promoter will not violate any provisions and that BSE may not impose any further penalties. An adverse outcome in any of these proceedings could have a material adverse effect on the Company, our Directors, our Promoter or LLP, as well as on our business, prospects, financial condition and results of operations and that of our Promoter.

For details kindly refer the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page no. 256 of this Draft Prospectus.

2. *We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be obtained by our Issuer Company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.*

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-obtaining or non-renewal of the said permits and licenses would adversely affect our Company’s operations, thereby having a material adverse effect on our business, results of operations and financial condition. Further we require to keep already obtained valid key approvals such as Tax Registrations, Labour related approvals, for running our operations in a smooth manner. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled “*Key Industry Regulations and Policies*” and “*Government and Other Statutory Approvals*” at pages 141 and 264 respectively of this Draft Prospectus

3. ***Our Manufacturing operations involve certain operating hazards, occurrences of which may disrupt our business operations and our financial conditions could be adversely affected.***

Our business operations involve risks and hazards which may affect our profitability, including breakdowns, failure or substandard performance of equipment, third party liability claims, labour disturbances, infrastructure failure and improper handling of raw materials. The loss or shutting down of our facilities due to uncertainty cause by operating hazards, could disrupt our business operations and affect our results of operations & financial conditions

4. ***Quality of product is very important in our industry and the success of our company is dependent on the quality of our product and any failure to maintain the quality of our products may have an adverse effect on our reputation and business.***

We believe that our success is dependent on the quality of our product. Dye and pigment paste products that we manufacture are inspected and tested at third-party laboratories before delivering to the customers. Thereafter, the customers also test our products on a sample basis in their laboratory before taking the delivery. However, for FMCG products we have in house testing lab for qualities control of the product. We are improving the products qualities as per demand and samples provided by our customers. We are also required to follow proper control during our manufacturing process. We believe that we have built strong relationships with our customers due to the quality of our products which has translated into operational growth. In the event we are unable to maintain our quality, for any reason whatsoever, our business, reputation and results of operations would be adversely affected.

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

Our Company has obtained insurance coverage in respect of certain risks which consists of standard fire and earthquake, burglary policy, marine cargo policy, vehicle insurance etc. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain business risks. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected. There are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate. We may face losses in the absence of insurance and even in cases in which any such loss may be insured, we may not be able to recover the entire claim from insurance companies.

If any uncertainty arises including losses arising on account of third-party claims or if claim made by us in respect of an insurance, is not accepted or any loss occurred by us is in excess of the insurance coverage, the same may adversely affect our operation, results and financials. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our results of operations and financial condition may be affected. For further information, see the chapter titled “***Our Business***” on page 118 of this Draft Prospectus.

6. ***Any fluctuations in prices of raw materials or shortage in supply of raw material for manufacturing our products, could adversely impact our business***

Our Company is dependent mainly on the various raw materials required for the manufacturing of our products. Thus, we are exposed to risk of upward fluctuations in the prices of various raw materials and their availability. Also, we have not entered into any supply agreements with our suppliers and all raw materials are bought by our Company from various suppliers on order-to-order basis. Any upward fluctuation in the prices of the major raw materials or shortage in supply of any major raw material would result in increase of cost of production. which may adversely impact the business and profitability of the Company. In case we are not able to pass on any such

increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

**7. *We depend on third parties for our transportation needs for raw materials. Any disruptions may affect our operations, business and financial condition.***

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of raw material from our suppliers and for transportation of our finished products to our customers. However, we have not entered into any definitive agreements with any third-party transport service providers and engage them on a need's basis. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. The cost of our goods carried by such third-party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods in case any accidental damage happens.

**8. *Obsolescence, destruction, theft, breakdowns of our plants or machineries or failures to repair or maintain the same may affect our business, cash flows, financial condition and results of operations.***

Obsolescence, destruction, theft or breakdowns of our plants or machineries may significantly increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. In such cases, we may not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all, particularly where our plants or machineries are not readily available from the market or require services from original machinery manufacturers. Some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an effect our business, cash flows, financial condition and results of operations for further details of our plant and machineries, please refer to chapter titled "***Our Business***" beginning on page 118 of this Draft Prospectus.

**9. *Introduction of alternative technology in manufacturing may reduce demand for our existing products and may adversely affect our profitability and business prospects***

Our competitors may decide to seek alternative technology coupled with the development of more alternatives, which may adversely affect our business and profitability if we are not able to respond to these changes. Our ability to anticipate changes in technology and to develop and introduce new and enhanced products successfully on a timely basis will be a significant factor in our ability to grow and to remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance and delays in product development. Any failure on our part to forecast and / or meet the changing demands will have an adverse effect on our business, profitability and growth prospects.

**10. *We have not entered into any long-term contracts with any of our customers and typically operate on the basis of purchase orders, which could adversely impact our revenues and profitability.***

We do not have any long-term contracts with our customers and any change in the buying pattern of the customers could adversely affect the business of our Company. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations. Although we believe that we have satisfactory business relations with our customers and have received continued business from them

in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

**11. *Our Company has not entered into any supply agreement for the major raw materials required for manufacturing of our products and are exposed to risks relating to fluctuation in global commodity prices and shortage of raw material***

The major raw materials used in manufacturing of our products are for FMCG are ethanol, denatured alcohol, fragrance etc. and for dyes are caustic soda flakes, dispersing agents, phenol, etc. and for pigmentation paste are pigment red, pigment yellow etc. We do not have any long-term supply contracts with respect to the raw material used in the manufacture of our products. While we are not significantly dependent on any single manufacturer of such raw material, but raw material costs are dependent on global commodity prices, which are subject to fluctuation. In the event the prices of such raw materials were to rise substantially, we may find it difficult to find alternative suppliers for our raw materials, on terms acceptable to us, and our business, results of operations and financial condition could be adversely affected

Our suppliers may not be able to supply us raw materials without any interruption, or may not comply with their obligations to us under our purchase agreements, if any. We may not have adequate remedies for any breach and their failure to supply us could result in a shortage of raw materials. If one of our suppliers fails or refuses to supply us for any reason, it would take a significant amount of time and expense to identify a new supplier or manufacturer. We may not be able to obtain raw material from new suppliers on acceptable terms and at reasonable prices, or at all.

**12. *Our Company name and logo is not registered as on date of this Draft Prospectus. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third-party intellectual property rights***

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

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

Our business requires significant amount of working capital towards debtors, inventories and cash and cash equivalents. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors, in case these debtors failed to pay our outstanding may result in a severe working capital shortage that may affect our business operations and financials.

For further details regarding working capital requirement, please refer to the chapter titled “*Objects of the Issue*” on page 91 of this Draft Prospectus.

**14. *Our Company in the past has entered into related party transactions and may continue to do so in future also, which may affect our competitive edge and better bargaining power if entered***

***with non-related parties resulting into relatively more favourable terms and conditions and better margins.***

Our Company has entered into transactions with our certain related parties. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. We confirm that the related party transactions are in compliance with the relevant provisions of Companies Act and other applicable laws. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. For details on the transactions entered by us, please refer to the chapter titled "***Financial Statements***" beginning on page 186 of this Draft Prospectus

- 15. We operate in a regulated sector and our operations are subject to environmental, health and safety regulations that could expose us to liability, increase our cost of operations or otherwise have a material adverse effect on our results of operations and could also result in enhanced compliance obligations.***

We are engaged in the business of manufacturing dyes, pigment paste and FMCG products, that may involve hazardous to health, significant risks are associated with manufacturing of these products, which subject us to various laws and regulations, including in relation to safety, health and environmental protection. These regulations govern discharge of pollutants into water which may cause environmental damage. Under these laws and regulations, we are required to control the use of as well as restrict the discharge or disposal of hazardous or environmentally objectionable products of our production process. While our Company believes that it has necessary controls and processes in place, if we breach or fail to comply with these laws and regulations, penalties or fines may be imposed on us, and our directors and officers responsible for such breach or non-compliance and may also be subjected to imprisonment.

Further, our manufacturing licenses may be suspended, withdrawn or terminated in the event of such breach or non-compliance thereby disrupting our operations. In the event that these penalties or fines, be significant or should any of our manufacturing licenses be suspended, withdrawn or terminated, our business operation and financial performance will be adversely affected and such event would in addition to adversely affecting our reputation also temporarily reduce our manufacturing capacity which could adversely affect our business, results of operations and reputation. Also, any environmental damages could increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations. For further details, please refer to chapters titled "***Our Business***" and "***Government and Other Approvals***" beginning on pages 118 and 264 respectively of this Draft Prospectus.

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

Our Directors i.e., Pritesh Yashwantlal Shah and Dimple Priteshkumar Shah and Promoter i.e., Yash Chemex Limited has rendered personal and corporate guarantees to secure a significant portion of our existing borrowings taken from Axis Bank Limited and SIDBI and may continue to provide such guarantees and other security post listing of our security. In case of a default under our loan agreements, any of the personal guarantees and corporate guarantee provided by our Directors and Promoter may be invoked which could negatively impact the reputation and net worth of our Directors and Promoter. While no such instance has occurred in the past, if any of these guarantees are revoked or invoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results

of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer to chapter titled “**Financial Indebtedness**” on page 250 of this Draft Prospectus.

**17. We may be unable to attract and retain employees with the requisite skills, expertise and experience, which would adversely affect our operations, business growth and financial results.**

We rely on the skills, expertise and experience of our employees. Our employees may terminate their employment with us prematurely and we may not be able to retain them. Experienced and skilled workers in the chemical industry are highly sought after, and competition for talent is intense. If we experience any failure to attract and retain competent personnel or any material increase in employee costs as a result of the shortage of skilled employee, our competitiveness and business would be damaged, thereby adversely affecting our financial condition and operating results.

**18. We are dependent on our top ten suppliers for the supply of raw material.**

For the six months period ended on September 30, 2022 and for the financial year ended March 31, 2022, our top ten suppliers constitute approximately 57.08% and 26.48 % respectively of our cost of materials purchased. We depend on our top ten suppliers for the supply of our raw materials. For further details refer to chapter titled “**Our business**” beginning on page 118. Our business is significantly affected by the availability, cost and quality of materials and bought out items, which we need to procure and provide for our products. The prices and supply of raw material depend on factors not under our control, including domestic and international general economic conditions, competition, availability of quality suppliers, production levels, transportation costs and import duties. Further, we depend on various suppliers who cater to a significant part of our business needs. If any of our key suppliers for a particular project is unable to continue providing the material we need at prices and on terms and conditions we consider acceptable, we will be required to obtain these items from other suppliers and our results of operations and business could suffer as a result.

For further details, please refer to the chapter titled “**Our Business**” beginning on pages 118 of this Draft Prospectus.

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

Our Company had negative cash flows from our operating activities, investing activities and financing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

(₹ in Lakhs)

Particulars	For the six months period ended September 30, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Net Cash Flow from / (used in) Operating Activities	(16.72)	(0.92)	240.87	(53.12)
Net Cash Flow from / (used in) Investing Activities.	4.94	19.63	(449.53)	(5.21)
Net Cash Flow from / (used in) Financing Activities	8.45	(23.19)	193.96	37.51

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

20. ***Our Company does not enter into any binding agreement with its customers at the time of receiving orders. Company may not be able to enforce any claims on customers in case of non-acceptance of manufactured products by them.***

Our Company manufactures dyes, pigment paste and FMCG products on the basis of orders placed by our customers. Once the production is completed, the same is delivered to the customers and subsequently consideration is received. However, Company do not enter into any agreement with our customers which legally binds them for acceptance of the orders they have placed as the business operations are performed primarily on the basis of trusts and relationships. Our customer may deny to take the delivery of goods owing to any reasons, which may impact our financial position adversely, since we do not have any legal right to enforce the order on our customers.

21. ***The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution and are based on management estimates.***

Our funding requirement set out in the chapter “*Objects of the issue*” on page 91 of this Draft Prospectus are based on management estimates and has not been appraised by any bank or financial institution. Our funding requirements are based on our current business plan and may vary based on various factors including macroeconomic changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and the utilization of proceeds from the Issue may also change. This may also include re-scheduling the proposed utilization of Issue Proceeds at the discretion of our management. Moreover, we have also not entered into definitive agreements to utilize the proceeds from the Issue for certain objects of the Issue. We may make necessary changes to the utilisation of Issue Proceeds in compliance with the provisions of the Companies Act. In the event of any variation in actual utilization of the Issue Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.

22. ***Our business is substantially dependent on our key clients from whom we derive a significant portion of our revenues. The loss of any significant clients may have a material and adverse effect on our business and results of operations.***

We derive a significant portion of our revenues from a limited number of clients. For the six months period ended on September 30, 2022 and for the financial year ended March 31, 2022 our top ten customers accounted for approximately 55.39 % and 20.84 % respectively of our total revenue/revenue from operations as per Restated Financial Statements. In the event any one or more customers cease to continue doing business with us, our business may be adversely affected. The loss of such clients may be caused mainly because of competition. There may be factors other than our performance, which may not be predictable, which could cause loss of clients. Further, any significant reduction in demand for our products from our key clients, any requirement to lower the price offered by these clients, or any loss or financial difficulties caused to these clients, or bad debts of the dues from these clients, or change in relationship with the clients could have a material adverse effect on our business, result of operations, financial conditions and cash flow.

We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change as we strive to add new customers in the normal course of business. While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods, or that our

business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

For further details, please refer to the chapter titled “*Our Business*” and “*Financial Statement of our Company*” beginning on pages 118 and on page 186 respectively.

**23. *Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.***

We may encounter problems in executing the orders in relation to our products and services, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, may result in the postponement of the delivery of products or cause its cancellation. Further, since we do not execute contracts with our customers, the order could be cancelled or there could be changes in scope and/ or scheduled delivery of the products. Accordingly, it is difficult to predict with certainty if, when, and to what extent we may be able to deliver the orders placed. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business. In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. We may experience in future some material delay, reduction in scope, cancellation, execution difficulty, delay or default in payment with regard to the orders placed with us, or any material disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Any delay, modification, cancellation of order by our large customers may have material adverse effect on our financial condition and results of operations.

**24. *We will continue to be controlled by our Promoter after the completion of the Issue.***

After the completion of the Issue, our Promoter will continue to hold a substantial portion of our paid-up Equity Share capital. As a result, our Promoter will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. We cannot guarantee that our Promoter will act in our interest while exercising their rights. Any conflict of interest may adversely affect our ability to execute our business strategy or to operate our business.

Further, our holding company is listed companies. To the extent that business or financial information relating to our Company can be derived from the annual or other public reports of YCL prepared in the ordinary course or filings made with the relevant stock exchanges in accordance with applicable standards and requirements for listed company disclosure, investors are reminded that such information has not been and will not be prepared for purposes of this Issue and does not form a part of the Draft Prospectus and Prospectus. Any investment decision in connection with the Issue must be taken only on the basis of the information in the Draft Prospectus and Prospectus.

Thus, we cannot assure you that our Promoter would always exercise their rights as a shareholder to the benefit and best interest of our Company.

**25. *Information relating to the historical installed capacity and capacity utilization of our manufacturing facilities included in this Draft Prospectus is based on various assumptions and estimates and our future production and capacity may vary.***

Information relating to our capacity utilization of all our manufacturing facilities calculated on the basis of total installed production capacity and actual production for the financial, please refer to the chapter titled “*Our Business – Capacity and Capacity Utilisation*” on page 118 of this Draft Prospectus. Information relating to the historical installed capacity and capacity utilization of our manufacturing facilities included in this Draft Prospectus is based on various assumptions and estimates of our management and an independent chartered engineer, including assumptions relating to expected operations, availability of raw materials, actual product mix vis-à-vis the



products mix envisaged for computation of our installed capacity and assumptions relating to potential utilization levels and operational efficiencies. While we have obtained a certificates dated December 23, 2022 and December 24, 2022, from M/s Kanubhai R Shah, Chartered Engineer, actual capacities and utilization rates may differ significantly from the estimated installed capacities or estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our installed capacity or estimated capacity utilization information for our existing facility included in this Draft Prospectus.

- 26. *There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and certain non-compliances of provisions of Companies Act, 2013. Any penalty or action taken by any regulatory authority in future, for non-compliance with provisions of corporate or any other law could impact the financial position of the Company to that extent.***

There are few discrepancies noticed in some of our corporate records relating to e-forms filed with the Registrar of Companies, which inter-alia includes such as incorrect/ incomplete attachments to the forms, clerical errors, no record of the share transfer details filed by our Company with the ROC. Additionally, no proper disclosure was made annual report related to related party transaction however same has been properly disclosed in Restated Financial Statement. Also, the share transfer deed executed without affixing stamp duty of appropriate value. Further in Annual Report for the year 2017- 18, 2018-19, 2019-20 the company had shown the nature of business as of trading of perfumes, deodorant and chemicals instead of manufacturing and trading of our perfumes, deodorant and chemicals. Also, our Company had given loan and advance to our Director, Dimple Priteshkumar Shah for which our Company is in process for filing form with MCA along with late fees.

Further some of the shares are transferred to the Promoter are not on date of receipt of share consideration and also some shares have been transferred to Promoter without receiving consideration. Consequently, it has violated the provision of Securities Contract Regulations Act. We cannot assure you that whether any penalty may be imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

Further our Director, Pritesh Yashwantlal Shah is in process for filing exemption application under the SEBI(SAST) Regulations, 2011 with SEBI.

We cannot assure you that such delays will not occur in future and such delay in filing the forms and / or any non-compliance may expose our Company to fines and penalties from RoC/other regulatory authority/SEBI.

- 27. *Our Company in certain instances in the past, has delayed in paying statutory dues to various government and local bodies which may require us to pay penalties.***

Our Company has, in certain instances in the past, delayed payment of certain statutory dues in the past. Except as mentioned below, there are no outstanding litigations or anticipated penalties with respect to such delays as on date this Draft Prospectus: (a) Interest in late payment of GST Rs. 1.17 Lakhs (b) TDS Defaults ₹ 0.04 Lakhs.

We cannot assure that we will not be subject to civil and criminal liabilities for such delays. We cannot assure you that statutory dues owed by our Company will not be unpaid at balance sheet dates in the future or that we may not be subject to penalties imposed by the statutory authorities for such delays.

- 28. *Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.***

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration in certain cases, is to make the document inadmissible in

legal proceedings. Any potential dispute due to noncompliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

**29. *We are heavily dependent on machinery for our operations. Any break-down of our machinery will have a significant impact on our business, financial results and growth prospects.***

Our manufacturing facility is heavily dependent on plant and machinery. Any significant malfunction or breakdown of our machinery may entail significant repair & maintenance costs and cause delays in our operations. Further, while we believe that we maintain necessary supplies of spare parts and maintenance related equipment, if we are unable to procure the necessary spare parts in a timely manner or if we are unable to carry out the necessary repair of the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our results of operations and financial condition. Further, we do not purchase insurance against the break-down of our machinery and any such cost will be to our account and may have an adverse impact on our financial condition and result of operations.

**30. *Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses.***

Our operations are subject to various risks and hazards which may adversely affect revenue generation and profitability. While we believe that we have taken adequate safeguards to protect our assets from various risks inherent in our business, including by purchasing and maintaining relevant insurance cover, it is possible that our insurance cover may not provide adequate coverage in certain circumstances.

While we maintain certain insurance cover, certain types of losses may be either uninsurable, not economically viable to insure or not offered for insurance, such as losses due to acts of terrorism or war. Should an uninsured loss occur, we could lose our investment in, as well as anticipated profits and cash flows from the asset. In addition, even if any such loss is insured, there may be a significant deductible on any claim for recovery prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. Further, even in the case of an insured risk occurring there can be no assurance that we will be successful in claiming insurance in part or full, or that the insurance purchased by us will be sufficient to cover the loss occasioned by the risk. Any loss that is not covered by insurance, or for which we are unable to successfully claim insurance, or which is in excess of the insurance cover could, in addition to damaging our reputation, have an adverse effect on our business, cash flows, financial condition and results of operation. Further, an insurance claim once made could lead to an increase in our insurance premium, result in higher deductibles and also require us to spend towards addressing certain covenants specified by the insurance companies.

**31. *Our company has taken secured loans from Axis Bank Limited and SIDBI wherein our directors have provided collateral security and personal guarantees in relation to cash credit facilities and term loans provided to our Company. In event of default on the debt obligations, the collateral security and personal guarantees may be invoked thereby adversely affecting our directors ability to manage the affairs of our Company and consequently may impact our business, prospects, financial condition and results of operations.***

Our Company has taken secured loans from Axis Bank Limited and SIDBI, the amount outstanding as on 30th September, 2022 is ₹ 199.69 lakhs and ₹ 25.96 Lakhs, respectively wherein our directors have provided collateral security and personal guarantees borrowers. Such facilities stipulate that the facility shall be secured by a personal guarantee by the two directors named Pritesh Yashwantlal Shah and Dimple Priteshkumar Shah. In event of default on the debt obligations, the collateral security and personal guarantee may be invoked thereby adversely affecting our director's ability to manage the affairs of our Company and consequently may impact our business, prospects, financial condition and results of operations.

**32. *Our Company has unsecured loans, which are repayable on demand.***

Our Company have availed unsecured loans which may be called by their lenders at any time. For the six months period ended on September 30, 2022 and as on March 31, 2022 the unsecured loan amounting ₹63.44Lakhs and ₹ 31.85 Lakhs respectively, were due to lenders. In the event that lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Also, there are no formal agreements with any of our unsecured lenders. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, please refer to the chapter titled **“Financial Indebtedness”** beginning on page 250.

**33. *We are heavily reliant on Directors Pritesh Yashwantlal Shah and Dimple Priteshkumar Shah. Failure to retain or replace them will adversely affect our business.***

In order to successfully manage and expand our business, we are dependent on the services of our Directors, and our ability to attract, train, motivate and retain skilled employees and other professionals. If we are unable to hire additional personnel or retain existing qualified personnel, in particular our Key Managerial Personnel and persons with requisite skills, our operations and our ability to expand our business may be impaired. Further, we may be unable to hire and retain enough skilled and experienced employees to replace those who leave or may not be able to re-deploy existing resources successfully. Failure to hire or retain Key Managerial Personnel and skilled and experienced employees could adversely affect our business and results of operations.

**34. *Our Promoter is engaged in the same line of business similar to our Company. There are no non-compete agreements between our Company and our Promoter. We cannot assure that our Promoter and our Company will not compete each other to source the same business. Such competition between each other may adversely affect business operations and financial condition of our Company.***

Our Promoter is in the business of trading of chemical and dyes and are in the similar line of business as of our Company. We have not entered into any non-compete agreement with our Promoter. We cannot assure that our Promoter who has common interest in the said business may not favour his interest before the interest of our Company. As a result, conflicts of interests can arise on account of common suppliers/customers and in allocating business opportunities amongst our Company and our Promoter. There can be no assurance that our Promoter will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Further our Promoter may enter into the manufacturing of the chemical and dyes and FMCG products in future in such circumstances the interest of the company may conflict with the interest of the Promoter and any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, please refer to chapter titled **“Our Group Companies”** beginning on page 184.

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

We have not independently verified data collected from industrial journal and publications contained herein and although we believe these sources 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 regard to other countries. Therefore, discussions of matters relating to India and its economy 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 or unreliable. These facts and statistics included in the chapter **“Industry Overview”** beginning on page no. 108 of this Draft Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly

relied upon. Further, 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.

**36. *Our future success will depend on our ability to effectively implement our business and growth strategies failing which our results of operations may be adversely affected.***

Our success will depend, in large part, on our ability to effectively implement our business and growth strategies. We cannot assure you that we will be able to execute our strategies in a timely manner or within budget estimates or that we will meet the expectations of our customers and other stakeholders. We believe that our business and growth strategies will place significant demands on our management and other resources and will require us to develop and improve operational, financial and other internal controls. Further, our business and growth strategies may require us to incur further indebtedness. Any inability to manage our business and growth strategies could adversely affect our business, financial condition and results of operations.

In addition, we believe that our ability to implement our business and growth strategies will also depend on our ability to expand the capacity at our existing manufacturing facilities or setting up new manufacturing facilities. Further, the increased installed manufacturing capacity at these facilities may not, in the future, be adequate for us to implement our business and growth strategies. In addition, our proposed expansion plans may be subject to time and cost overruns.

Our inability to maintain our growth or failure to successfully implement our growth strategies within time and cost expectations could have an adverse impact on the results of our operations, our financial condition and our business prospects.

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

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

**38. *Our actual results could differ from the estimates and projections used to prepare our financial statements.***

The estimates and projections are based on and reflect our current expectations, assumptions and/or projections as well as our perception of historical trends and current conditions and outlook of our business, as well as other factors that we believe are appropriate and reasonable under the circumstances. There can be no assurance that our expectations, estimates, assumptions and/or projections, outlook including with respect to the future earnings and performance will prove to be correct or that any of our expectations, estimates or projections will be achieved.

**39. *Our inability to protect or use our intellectual property rights may adversely affect our business.***

While we have been granted registration for our product manufacturer under “plxo” and “PLXO KESHA’Z HAIRE SURRECT” brand manufacture by us. For more details, please refer to chapter titled “*Intellectual Property Rights*” on page 118 of this Draft Prospectus.

While our Company have only registered a “plxo” and “PLXO KESHA’Z HAIRE SURRECT” brand under trade mark type word and we have not yet registered our company logo. The use of our brand name or logo by third parties could adversely affect our reputation and business, which could in turn adversely affect our financial performance and the market price of the Equity Shares. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe our rights, which may have an adverse effect on our business and results of operations.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our product offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised, those claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain product offerings. Any of the foregoing could adversely affect our business, results of operations, cash flows and financial condition.

**40. *We do not own our Registered Office from which we carry out our business activities. Any dispute in relation to use of the premises would have a material adverse effect on our business and results of operations.***

We do not own our Registered Office from which we operate. However, the said office will be taken on lease from Dimple Priteshkumar Shah, Director of our Company once she completes the registration formalities for purchasing the said office. Pending registration of our Registered Office in the name of Dimple Priteshkumar Shah and execution of lease deed, we will continue to carry our business activities from said Registered Office and pay rent as agreed.

There can be no assurance that we will be able to execute the rent agreements for the Registered Office on favourable terms with Dimple Priteshkumar Shah, and in such circumstances we will have to find alternate locations for our Registered Office on favorable terms to us.

We may also fail to negotiate of our rent agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the rent agreement is failed to execute on commercially acceptable terms, we may suffer a disruption in our operations which could materially and adversely affect our business, financial condition and results of operations.

**41. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, please refer the chapter titled "***Dividend Policy***" beginning on page no. 185 of this Draft Prospectus.

**42. *Our Promotes have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Our Promoter can be deemed to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlement, or loans advanced and personal guarantee provided by them for the Company, and benefits deriving from the directorship in our Company. Our Promoter are interested in the transactions entered into our Company. For further information, please refer to the chapters titled "***Our Business***", "***Our Promoter and Promoter Group***" and "***Annexure XXXVII - Related Party Transactions under Financial Statement of our Company***", beginning on pages 118, 179 and 186 respectively.

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

The proposed fund requirement for funding working capital requirements, as detailed in the section titled "Objects of the Issue" is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled "Objects of the Issue" beginning on page 91 of this Draft Prospectus.

44. ***Any failure of our information technology systems could adversely impact our business.***

Our day-to-day operations depend on our information technology systems. We rely heavily on our information technology systems. We also use information technology systems for routine corporate activities such as processing of financial information, managing information pertaining to creditors/ debtors, customer communication, marketing through website and engaging in normal business activities. Although we believe that we have effective backup systems in place, any partial or complete disruption of our information technology systems could adversely impact our business and the result of our operations.

45. ***Any future issuance of Equity Shares may dilute your shareholdings, and sales of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

Any future equity issuances by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

46. ***Our lenders have charge over our immovable properties in respect of finance availed by us.***

We have secured our lenders by creating a charge over our immovable properties in respect of loans / facilities availed by us from banks and financial institutions. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further details in this regard, please refer chapter titled "***Financial Indebtedness***" beginning on page 250 of this Prospectus.

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

The issue price of the equity shares has been based on many factors and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "***Basis for Issue Price***" beginning on page 100 of the Draft Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

48. ***Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.***

Pursuant to the SEBI ICDR Regulations, Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their application (in terms

of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the issue within six Working Days from the issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant's ability to sell the Equity Shares Allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.

**49. *Our Promoter have provided corporate guarantees in connection with our borrowings.***

Our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by our Promoter in connection with our Company's borrowing/investment made. Our Promoter have provided corporate guarantees to lenders for our borrowings. If any of these guarantees are revoked, our lenders may require alternative guarantees or cancel such loans or facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees which are satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or we may have to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by our Promoter in connection with our Company's borrowings/investment.

**50. *Our performance may be adversely affected if we do not manage our inventory or working capital successfully.***

We conduct business with our customers primarily on the basis of purchase orders that are placed from time to time. Consequently, there is no commitment on the part of such customers to continue to place new purchase orders with us and as a result, our revenue and consequent cash flow may fluctuate significantly from time to time. The fluctuation in demand for our products may either require us to increase production or decrease production and/ or inventories at a short notice, which may result in us bearing additional costs and incurring losses. While we believe we had to maintain a reasonable level of inventory of raw materials, work in progress and finished goods if we underestimate demand or have inadequate production and/or storage capacity due to which we are unable to meet the demand for our products, we may end up manufacturing lesser quantities of products than required, which could result in the loss of business.

If a customer defaults in making its payment on a product to which we have devoted resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result in increase in our working capital requirements. If we are unable to meet our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, financial condition and results of operations.

**51. *Our Company does not have any listed peer companies with the same line of business for comparison of performance and therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.***

Business models of some of the listed companies which undertake certain business, which may be considered similar to our business are not comparable to our business model based on (i) percentage of contribution made by their business activities to the total revenue of these listed companies; and (ii) nature and extent of manufacturing activities in diverse sectors undertaken by these listed companies or by our Company. Therefore, there are no nearest listed companies with the same line of business that may be considered as the peer group of our Company. Therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.

**52. *If any new products that we produce are not as successful as we anticipate, our business, cash flows, results of operations and financial conditions may be adversely affected.***

In accordance with our strategy to diversify our product offerings. Further, we intend to gradually increase the production of FMCG product. Although we follow strategy to develop our products, the development of such new products is subject to a number of risks including, but not limited to, (a) our failure to develop products that meet market demands and market requirements; (b) our failure to comply with applicable laws and regulations; (c) failure to obtain the relevant approvals from regulatory bodies on a timely basis; and (d) failure to recover costs incurred or earn adequate profits and profit margins.

If any of our new products are not as successful in gaining market acceptance as we anticipate, contrary to our projections or future growth expectations, may be affected, which could adversely affect our business, cash flows, results of operations and financial condition.

We intend to further strengthen our relationships with existing customers, however we cannot assure you that we will be able to execute these strategies on time and within our estimated budget, or that it will increase our profitability.

**53. *The average cost of acquisition of Equity Shares by our Promoter could be lower than the Issue price.***

Our Promoter 'average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price of the offer as may be decided by the Company in consultation with the LM. For further details regarding average cost of acquisition of Equity Shares by our Promoter in our Company and built-up of Equity Shares by our Promoter in our Company, please see chapter titled "Capital Structure" on page 69.

**54. *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 the Audit Committee. The objects of the Offer for which funds are being raised have not been appraised by any bank or financial institution and are based on management estimates.***

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above ₹ 10,000 Lakhs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the Stock Exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

Our funding requirement set out in the chapter "*Objects of the Issue*" on page 91 of this Draft Prospectus including working capital requirement are based on management estimates and has not been appraised by any bank or financial institution. Our funding requirements are based on our current business plan and may vary based on various factors including macroeconomic changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and the utilization of proceeds from the Issue may also change. This may also include re-scheduling the proposed utilization of Issue Proceeds at the discretion of our management. Moreover, we have also not entered into definitive agreements to utilise the proceeds from the Issue for certain objects of the Issue. We may make necessary changes to the utilization of Issue Proceeds in compliance with the provisions of the Companies Act. In the event of any variation in actual utilization of the Issue Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.



55. *We have not commissioned an industry report for the disclosures made in the section titled ‘Our Industry’ and made disclosures based on the data available on the internet and such third-party data has not been independently verified by us.*

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled “**Our Industry**” beginning on page 108 of this Draft Prospectus. We have made disclosures in the said section based on the relevant industry related data publicly available online for which relevant consents have not been obtained. We have not independently verified such third-party data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Prospectus. Further, the industry data mentioned in this Draft Prospectus or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Prospectus in this context.

56. *Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.*

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by, our customers. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition.

For more details, please refer to the chapter titled “**Our Business – Capacity and Capacity Utilisation**” on 121 of this Draft Prospectus.

## **EXTERNAL RISK FACTORS**

57. *Our business is dependent on economic growth in India.*

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India’s economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets,

could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

**58. *An outbreak of other infectious or virulent diseases, if uncontrolled, may have an adverse effect on our operations.***

An outbreak of other infectious or virulent diseases, such as severe acute respiratory syndrome, the COVID-19 virus and its variants, the H1N1 virus, avian influenza (bird flu), the Zika virus or the Ebola virus, if uncontrolled, may have a material adverse effect on the economies of certain countries and our operations. If any of our employees or the employees of our suppliers and/or customers are infected with such diseases or if a significant portion of our workforce refuses to work for fear of contracting an infectious disease, our Company, our suppliers and/or our customers may be required to shut down operations for a period of time, and this could adversely affect our business, results of operations and financial condition.

**59. *Financial Instability and disruptions in Indian financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

**60. *Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, transfer of shares between nonresidents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

**61. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

**62. *If certain labour laws become applicable to us, our profitability may be adversely affected.***

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

**63. *Political, economic, legal, tax, operation and other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The following external risks may have an adverse impact on our business and results of operations should any of them materialise:

- a) high rates of inflation in India and in countries where we operate our business could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins;
- b) changes in existing laws and regulations in India and in countries where we operate our business;
- c) changes in trade policies, in terms of tariff and non-tariff barriers; and
- d) a slowdown in economic growth or financial instability in India and in countries where we operate our business could adversely affect our business and results of operations.

**64. *If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.***

In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the price of transportation, wages, raw materials or any other expenses. In particular, the prices of raw materials required for fabrication of our products are subject to increase due to a variety of factors beyond our control, including global commodities prices and economic conditions. If this trend continues, we may be unable to reduce our costs or pass our increased costs on to our customers and our results of operations and financial condition may be materially and adversely affected.

**65. *Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

**66. *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 refer to the chapter titled "**Key Industry Regulations and Policies**" beginning on page 118 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.

**67. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other/ adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

**68. *Emergence of competition from other manufacturing countries.***

The global ink market is highly competitive. We may face global competition from countries. Our market position will depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry including pricing strategies. Any failure by us to compete efficiently, including in terms of pricing, could adversely affect our business, operations and profitability.

**Risk Related to our Equity shares**

**69. *Rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be similar to the shareholders' rights under the laws of other countries or jurisdictions.

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

The Issue Price of the Equity Shares has been determined by our Company in consultation with the LM, and through the Fixed Issue Process. This price is based on numerous factors, as described under "**Basis for Issue Price**" on page 100 of this Draft Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

**71. *The trading volume and market price of the Equity Shares may be volatile following the Issue.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and

- general economic and stock market conditions.

**72. *Our Equity Shares have not been publicly traded prior to this Issue. After this Issue, our Equity Shares may experience price and volume fluctuations and an active trading market for our Equity Shares may not develop. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.***

Prior to this Issue, there has been no public market for our Equity Shares. An active trading market on the Stock Exchanges may not develop or be sustained after this Issue.

The trading price of our Equity Shares after this Issue may be subject to significant fluctuations in response to factors including general economic, political and social factors, developments in India's fiscal regime, variations in our operating results, volatility in Indian and global securities markets, developments in our business as well as our industry and market perception regarding investments in our business, changes in the estimates of our performance or recommendations by financial analysts, and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. The trading price of our Equity Shares may also decline in reaction to events that affect the entire market and/or other companies in our industry even if these events do not directly affect us and/or are unrelated to our business or operating results.

**73. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

**74. *Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. Further, in accordance with press note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or

repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**75. *Investors may have difficulty enforcing foreign judgments against us or our management.***

We are a limited liability company incorporated under the laws of India. All our directors and executive officers are residents of India and a majority of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of CPC on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to *natura justice*; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

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

Capital gains arising from the sale of equity shares within 12 months in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (“STT”) is paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, is subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of equity shares is exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident.

Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares

**77. *Any future issuance of Equity Shares by us may dilute your shareholding and sales of the equity shares by our Promoter, Promoter Group or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by us may dilute your shareholding in us. In addition, any sales of substantial amounts of the Equity Shares in the public market after the completion of the Issue, including by our Promoter or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could materially impair future ability of us to raise capital through offerings of the Equity Shares. After the completion of the Issue, our Promoter will continue to hold [●] % of the outstanding Equity Shares. We cannot predict the effect, if any, that the sale of the Equity Shares held by our Promoter or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of the Equity Shares.

**78. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

A public company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offer document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

**79. *There is no guarantee that our Equity Shares will be listed on NSE Emerge in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue.

In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the NSE Ltd within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

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

We are not a listed company and have historically not been subjected to the compliance requirements and increased scrutiny of our affairs by shareholders, regulators and the public at large associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations or cash flows as promptly as other listed companies.

Further, as a listed company, we will be required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations and cash flows. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

**81. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any

person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

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

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

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

Our listed Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.



## SECTION - III –INTRODUCTION

### THE ISSUE

The following table summarizes the Issue details:

PARTICULARS	DETAILS OF EQUITY SHARES
Issue of Equity Shares by our Company	Upto 51,42,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to maximum ₹ [●] Lakhs.
<b>Consisting of</b>	
Market Maker Reservation Portion	[●] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs.
Net Issue to The Public*	[●] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs.
<b>of which</b>	
(A) Retail Portion	[●] Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs i.e., 50% of the Net Issue shall be available for allocation to the Retail Individual Investors.
(B) Other than Retail Individual	[●] Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs i.e., 50% of the Net Issue shall be available for allocation for Investors other than the Retail Individual Investors.
<b>Pre-and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the issue	[●] Equity Shares of face value of ₹. 10.00/- each.
Equity Shares outstanding after the issue	[●] Equity Shares of face value of ₹.10.00/- each.
Use of Issue Proceeds	For details, please refer chapter titled “ <b>Objects of the Issue</b> ” beginning on page 91 of this Draft Prospectus.

*The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on December 09, 2022 and approved by the shareholders of our Company vide a special resolution at the Extraordinary General Meeting held on December 20, 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 chapter titled “**Issue Structure**” beginning on page 291 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 Issue 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) above may be allocated to applicants in the other category.*

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

## **SUMMARY OF FINANCIAL INFORMATION**

The following table set forth summary financial information derived from the Restated Financial Statements. The summary financial information presented below should be read in conjunction with “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 186 and 241 respectively of this Draft Prospectus.

*[The Remainder of this Page has intentionally been left blank]*

**YASONS CHEMEX CARE LIMITED**

**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in lakhs)

Particulars	Notes	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Assets</b>					
<b>I. Non-current assets</b>					
(a) Property, plant and equipment	2	56.63	61.68	74.64	56.00
(b) Capital work-in-progress	3	-	-	-	0.76
(c) Right-of-use assets		-	-	-	-
(d) Financial assets					
(i) Non Current Investment	4	614.37	515.20	434.83	-
(ii) Loans	5	88.57	220.79	211.64	232.41
(iii) Other Financial Asset	6	20.28	19.66	19.63	3.14
(e) Deferred Tax Asset (net)	7	1.28	1.04	1.30	0.50
(f) Other non-current assets	8	1.68	1.68	1.77	-
		<b>782.82</b>	<b>820.05</b>	<b>743.81</b>	<b>292.81</b>
<b>II. Current assets</b>					
(a) Inventories	9	515.72	410.90	212.38	203.33
(b) Financial assets					
(i) Investments		-	-	-	-
(ii) Trade Receivables	10	1,415.17	1,235.01	1,393.26	990.84
(iii) Cash and cash equivalent	11A	2.37	5.70	10.18	24.88
(iv) Bank balances other than(iii) above	11B	-	-	0.31	-
(v) Other Financial Asset		-	-	-	-
(c) Other current assets	12	307.81	307.62	198.31	546.22
		<b>2,241.08</b>	<b>1,959.23</b>	<b>1,814.45</b>	<b>1,765.26</b>
<b>Total assets</b>		<b>3,023.90</b>	<b>2,779.28</b>	<b>2,558.26</b>	<b>2,058.07</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
(a) Equity share capital	13	590.08	590.08	590.08	590.08
(b) Other equity	14	1,407.18	1,138.49	942.86	817.06
<b>Total Equity</b>		<b>1,997.26</b>	<b>1,728.57</b>	<b>1,532.94</b>	<b>1,407.14</b>
<b>Liabilities</b>					
<b>I. Non-current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings	15	71.69	65.12	59.00	41.71
(b) Provisions	16	0.62	0.47	0.49	0.85
		<b>72.31</b>	<b>65.59</b>	<b>59.49</b>	<b>42.56</b>
<b>II. Current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings	17	235.90	216.28	210.04	4.45
(ii) Lease Liabilities		-	-	-	-
(iii) Trade payables	18				
Total outstanding dues of micro enterprise and small enterprise		150.98	-	33.96	120.68
Total outstanding dues of creditors other than micro enterprise and small enterprise		423.54	585.96	526.89	320.41
(b) Other current liabilities	19	64.20	159.85	160.98	137.82
(c) Provisions	20	0.00	0.00	0.00	0.00
(d) Current Tax Liabilities (Net)	21	79.71	23.02	33.96	25.02
		<b>954.33</b>	<b>985.13</b>	<b>965.82</b>	<b>608.38</b>
<b>Total equity and liabilities</b>		<b>3,023.90</b>	<b>2,779.28</b>	<b>2,558.26</b>	<b>2,058.08</b>
Significant accounting policies	1	0.00	0.00	0.00	0.01

The above statement should be read with Statement of Notes to the Restated Financial Information

As per our attached report of even dates

**As per our Report of even date attached.**

**For, H S K & Co LLP**

**Chartered Accountants**

**Firm Regd. No.117014W/W100685**

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

**For, Yasons Chemex Care Limited**

S/d  
Sudhir S. Shah

S/d  
CS Himali Thakkar

S/d  
Kiritbhai H. Shah

S/d  
Pritesh Y. Shah

S/d  
Dimple P. Shah

Partner

(Company Secretary)

(Chief Financial Officer)

(Managing Director  
cum Chairman)

(Whole-time  
Director)

(M. No. 115947)

UDIN: 23115947BGWPPY4055

Place : Ahmedabad

Date : January 01,2023

(DIN: 00239665)

(DIN: 06914755)

Place : Ahmedabad

Date : January 01,2023

**YASONS CHEMEX CARE LIMITED**

**RESTATED STATEMENT OF PROFITS AND LOSSES**

(Rs. in lakhs)

Sr No	Particulars	Notes	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
I	Revenue from operations	22	1,199.86	2,505.19	1,777.36	1,940.97
II	Other income	23	271.73	111.81	27.42	20.58
III	<b>Total revenue</b>		<b>1,471.59</b>	<b>2,617.01</b>	<b>1,804.79</b>	<b>1,961.55</b>
IV	<b>Expenses</b>					
	Cost of material consumed	24	771.77	1,608.97	1,248.80	974.82
	Purchases of stock-in-trade		400.10	633.89	282.39	838.70
	Change in inventories of finished goods	25	(71.15)	13.19	(8.06)	(60.61)
	Employee benefits expense	26	7.88	16.46	7.57	14.01
	Finance costs	27	17.73	35.56	23.08	5.32
	Depreciation and amortisation expenses	28	5.06	12.94	14.90	11.77
	Other expenses	29	14.03	44.88	54.49	19.81
	<b>Total expenses</b>		<b>1,145.43</b>	<b>2,365.89</b>	<b>1,623.17</b>	<b>1,803.82</b>
V	<b>Profit/(Loss) before taxes</b>		<b>326.16</b>	<b>251.12</b>	<b>181.62</b>	<b>157.73</b>
VI	<b>Tax Expenses :</b>					
	Current Tax		57.50	44.55	46.50	37.00
	Tax Adjustment for earlier years					
	Deferred tax charge\credit		(0.19)	0.19	(0.95)	3.44
	Tax In Respect of Earlier Years		-	10.97	10.73	1.78
VII	<b>Profit/(Loss) for the year</b>		<b>268.85</b>	<b>195.41</b>	<b>125.35</b>	<b>115.51</b>
VIII	<b>Other Comprehensive Income</b>					
	(A) Items that will not be reclassified to Statement of Profit and Loss		-	-	-	-
	(i) Defined benefit Plan liability / asset		0.20	(0.29)	(0.61)	-
	(ii) Tax impact on above item		(0.05)	0.07	0.15	-
	(B) Items that will be reclassified to Statement of Profit and Loss		-	-	-	-
	<b>Total Other Comprehensive Income (After Tax)</b>		<b>0.15</b>	<b>(0.22)</b>	<b>(0.46)</b>	<b>-</b>
IX	<b>Total Comprehensive Income</b>		<b>268.70</b>	<b>195.63</b>	<b>125.80</b>	<b>115.51</b>
X	<b>Earning per Equity Share</b>					
	Basic & Diluted (Amount in Rs)		1.90	1.38	0.89	0.82
	<b>Notes to Accounts</b>	<b>1-48</b>				

The above statement should be read with Statement of Notes to the Restated Financial Information  
As per our attached report of even date

As per our Report of even date attached.

For, H S K & Co LLP

Chartered Accountants

Firm Regd. No.117014W/W100685

For and on behalf of the Board of Directors

S/d

Sudhir S. Shah

Partner

(M. No. 115947)

UDIN: 23115947BGWPPY4055

Place : Ahmedabad

Date : January 01,2023

S/d

CS Himali Thakkar

(Company Secretary)

S/d

Kiritbhai H. Shah

(Chief Financial Officer)

S/d

Pritesh Y. Shah

(Managing Director  
cum Chairman)

(DIN: 00239665)

S/d

Dimple P. Shah

(Whole-time Director)

(DIN: 06914755)

Place : Ahmedabad

Date : January 01,2023

YASONS CHEMEX CARE LIMITED

RESTATED STATEMENT OF CASH FLOWS

(Rs. in lakhs)

Particulars	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax	326.16	251.12	181.62	157.73
<u>Adjustments for:</u>				
Add : Depreciation and amortisation	5.06	12.94	14.90	11.77
Provision for Expected Credit Loss	0.50	(0.88)	(0.73)	(7.30)
Finance Cost	17.73	35.56	23.08	5.32
Share of Profit from Investment In LLP	(99.17)	(80.37)	0.00	-
Interest Income	(4.94)	(19.67)	(18.83)	19.84
Interest Expenses	-	-	-	-
(Profit)/Loss on sales of assets	-	-	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>245.34</b>	<b>198.70</b>	<b>200.05</b>	<b>187.35</b>
<u>Adjustments for:</u>				
Inventories	(104.84)	(198.52)	(9.05)	(132.28)
Trade Receivables	(180.66)	148.20	(411.67)	(128.43)
(Increase)/Decrease in Other current financial assets , other current assets , Loans (Current + Non Current)	131.40	(118.08)	350.10	-316.28
Trade payables & Provisions	(11.49)	25.38	120.01	210.86
Increase/(Decrease) in other current financial liabilities, other current liabilities , Provisions (Current + Non Current)	(95.66)	(1.12)	29.00	137.63
<b>Cash Generated from Operations</b>	<b>(15.91)</b>	<b>54.56</b>	<b>278.44</b>	<b>(41.15)</b>
Less : Direct Taxes paid	(0.81)	(55.48)	(37.56)	(11.98)
<b>Net Cash generated from operating activities (i)</b>	<b>(16.72)</b>	<b>(0.92)</b>	<b>240.87</b>	<b>(53.12)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipments (Net)	-	(0.04)	(33.53)	14.62
Proceeds\ (Purchase) from sale of investments	-	-	(434.83)	-
Interest Income	4.94	19.67	18.83	(19.84)
<b>Net cash generated from investing activities (ii)</b>	<b>4.94</b>	<b>19.63</b>	<b>(449.53)</b>	<b>(5.21)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest Expense	(17.73)	(35.56)	(23.08)	(4.20)
Proceeds from Non-current and Current borrowings (Net)	26.18	12.37	217.04	41.71
Repayment of other Financial Liabilities	-	-	-	-
Buy Back of Shares	-	-	-	-
<b>Net cash generated from financial activities (iii)</b>	<b>8.45</b>	<b>(23.19)</b>	<b>193.96</b>	<b>37.51</b>
<b>Net change in cash and cash equivalents (i+ii+iii)</b>	<b>(3.33)</b>	<b>(4.48)</b>	<b>(14.70)</b>	<b>(20.82)</b>
Cash and cash equivalents* at the beginning of the year	5.70	10.18	24.88	45.70
<b>Cash and cash equivalents at the end of the year*</b>	<b>2.37</b>	<b>5.70</b>	<b>10.18</b>	<b>24.88</b>
<b>*Cash &amp; cash equivalents includes:</b>				
Cash in hand	2.37	5.70	3.25	0.19
Balances with Scheduled Bank	-	-	6.93	24.70
Fixed Deposit With Banks( having remaining maturity period less than 3 months from the reporting date)	-	-	-	-

The above statement should be read with Statement of Notes to the Restated Financial Information  
As per our attached report of even dates

For, H S K & Co LLP  
Chartered Accountants  
Firm Regd. No.117014W/W100685

For and on behalf of the Board of Directors

S/d  
Sudhir S. Shah  
Partner  
(M. No. 115947)  
UDIN: 23115947BGWPYY4055  
Place : Ahmedabad  
Date : January 01,2023

S/d  
CS Himali Thakkar  
(Company Secretary)

S/d  
Kiritbhai H. Shah  
(Chief Financial Officer)

S/d  
Pritesh Y. Shah  
(Managing Director cum (Whole-time Director)  
(DIN: 00239665)

S/d  
Dimple P. Shah  
(DIN: 06914755)

Place : Ahmedabad  
Date : January 01,2023

## GENERAL INFORMATION

Our Company was incorporated on October 17, 2017 at Ahmedabad as Yasons Chemex Care Limited under the provisions of the Companies Act, 2013 with the Registrar of Companies, Gujarat vide certificate of incorporation bearing Corporate Identification Number U24304GJ2017PLC099511. For details of the changes in our Registered Office, please refer to the chapter titled *“Our History and Certain Other Corporate Matters”* on page 156 of this Draft Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

4th floor, 412 Sigma Icon-1,  
132ft Ring Road, Opp. Medilink Hospital, Satellite,  
Ahmedabad, Gujarat-380015, India.

**Tel No:** +91 079400 28639

**Email:** [yccl@yashchemex.com](mailto:yccl@yashchemex.com)

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

### CORPORATE IDENTITY NUMBER AND REGISTRATION NUMBER

Company Registration Number: 099511

Corporate Identity Number: U24304GJ2017PLC099511

### ADDRESS OF THE REGISTRAR OF COMPANIES

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

ROC Bhavan, Opp Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad-380013, Gujarat, India.

### BOARD OF DIRECTORS OF OUR COMPANY

Our Company’s Board comprises of the following Directors as set forth in the following table: -

Name	DIN	Designation	Residential Address
Pritesh Yashwantlal Shah	00239665	Managing Director	63, Vrundavan Bungalow, Near Medilink Hospital Satellite Ahmedabad- 380015, Gujarat, India
Dimple Priteshkumar Shah	06914755	Whole time Director	63, Vrundavan Bunglows-1, Nr Medilink Hospital, Satellite, Ahmedabad city, Manekbag, Ahmedabad Gujarat, 380015, India
Angee Rajendrakumar Shah	07486980	Independent Non-Executive Director	24, Kirti Society, Opp Babeshwar Society, Ramnagar, Sabarmati, Ahmedabad -380005
Smit Kumarpal Shah	09803827	Independent Non-Executive Director	23, Rajgiri Society, Narayan Nagar Road , Paldi , Ahmedabad, Gujarat, 380007
Vinod Kumar	09803828	Independent Non-Executive Director	Mohabbat Nagar, Sirohi, Rajasthan- 307802

For detailed profile of our Board of Directors, please refer to the chapter titled *“Our Management”* beginning on page 161 of this Draft Prospectus.

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Himali Maheshbhai Thakkar**

4th floor, 412 Sigma Icon-1,

132ft Ring Road, Opp. Medilink Hospital, Satellite,

Ahmedabad, Gujarat-380015 India.

**Tel No:** +91 079400 28639

**Email:** [yccl@yashchemex.com](mailto:yccl@yashchemex.com)

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

## INVESTOR GRIEVANCES

*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.*

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, 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.

## DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY:

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
<b>FEDEX SECURITIES PRIVATE LIMITED</b> B 7, 3 <sup>rd</sup> Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India <b>Tel No:</b> +91 8104985149 <b>Contact Person:</b> Saipan Sanghvi <b>Email Id:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Investor Grievance Email:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>SEBI Registration Number:</b> INM000010163	<b>KARVY FINTECH PRIVATE LIMITED</b> (formerly known as KFin Technologies Private Limited) Selenium, Tower-B, Plot 31-32 Gachibowli Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana- 500032, <b>Tel No:</b> +91 40 6716 2222/18003094001 <b>E-mail id:</b> <a href="mailto:yasons.ipo@kfintech.com">yasons.ipo@kfintech.com</a> <b>Website:</b> <a href="http://www.karvyfintech.com">www.karvyfintech.com</a> <b>Investor Grievance id:</b> <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> <b>Contact Person:</b> M Murli Krishna <b>SEBI Registration No:</b> INR000000221
LEGAL ADVISOR TO THE ISSUE	BANKERS TO THE ISSUE / REFUND BANK /SPONSOR BANK
<b>M. V. KINI</b> Kini House, 6/39 Jangpura – B, New Delhi - 110014 <b>Tel No:</b> +91 111 24371038/39/40 <b>Fax No:</b> +91 111 24379484 <b>E-mail Id:</b> <a href="mailto:vidisha@mvkini.com">vidisha@mvkini.com</a> <b>Website:</b> <a href="http://www.mvkini.com">www.mvkini.com</a> <b>Contact Person:</b> Ms. Vidisha Krishna	[ ● ] [ ● ] <b>Tel No:</b> [ ● ] <b>Fax No:</b> [ ● ] <b>E-mail Id:</b> [ ● ] <b>Website:</b> [ ● ] <b>Contact Person:</b> [ ● ] <b>SEBI Registration No:</b> [ ● ]
BANKERS TO THE COMPANY	STATUTORY AUDITOR AND PEER REVIEW AUDITOR*

<b>AXIS BANK</b> <b>Address:</b> CBB 3 <sup>rd</sup> eye one, 2nd floor Panchvati Circle, CG road Ahmedabad Gujarat 380009 <b>Tel No:</b> 079 6614 7108 <b>Fax No:</b> NA <b>E-mail Id:</b> <a href="mailto:prashant.thakur@axisbank.com">prashant.thakur@axisbank.com</a> <b>Website:</b> <a href="http://www.axisbank.com">www.axisbank.com</a> <b>Contact Person:</b> Prashant Singh Thakur	<b>HSK &amp; Co LLP</b> 410, 4 <sup>th</sup> Floor, The Grand Mall, Opposite C.N Vidhyalay, S M Road, Ambavadi, Ahmedabad- 380015 <b>Tel No:</b> 079 40058744 <b>E-mail Id:</b> <a href="mailto:ssshah.ca@gmail.com">ssshah.ca@gmail.com</a> <b>Contact Person:</b> CA Sudhir Shah <b>Membership No.</b> 115947 <b>FRN :</b> 117014W/W100685
<b>UNDERWRITER</b>	<b>MARKET MAKER</b>
[ ● ] [ ● ] <b>Tel No:</b> [ ● ] <b>Fax No:</b> [ ● ] <b>E-mail Id:</b> [ ● ] <b>Website:</b> [ ● ] <b>Contact Person:</b> [ ● ] <b>Registration No:</b> [ ● ]	[ ● ] [ ● ] <b>Tel No:</b> [ ● ] <b>Fax No:</b> [ ● ] <b>E-mail Id:</b> [ ● ] <b>Website:</b> [ ● ] <b>Contact Person:</b> [ ● ] <b>Registration No:</b> [ ● ]

\* HSK & Co LLP., Chartered Accountants holds a valid peer review certificate number – 013402 issued by the “Peer Review Board” of the Institute of Chartered Accounts of India, New Delhi.

#Legal Advisor to the Issue to the extent of Legal section.

#### **SYNDICATE MEMBER**

As on the date of this Draft Prospectus, there are no syndicate members.

#### **DESIGNATED INTERMEDIARIES**

#### **SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)**

The lists of SCSBs notified by SEBI to act as SCSB for the ASBA process is available on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. For details of the Designated Branches of SCSBs collecting the Application Forms, please refer to the above-mentioned SEBI link.

#### **INVESTORS BANKS OR ISSUER BANK FOR UPI**

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 updated from time to time.

#### **REGISTERED BROKERS**

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, applicant can submit Application Form for the Issue using the stock brokers network of the Stock Exchange, i.e., through the Registered Brokers at the Brokers Centers.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on Registered Brokers, please refer

<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

#### **REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS (“RTA”)**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI



([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

### **COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)**

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.

### **STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES**

Fedex Securities Private Limited being sole Lead Manager to this Issue, all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them. Hence, a statement of inter-se allocation of responsibilities is not required.

### **IPO GRADING**

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

### **CREDIT RATING**

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

### **DEBENTURE TRUSTEES**

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

### **MONITORING AGENCY**

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below 10,000 Lakh. Since the Issue size is upto ₹ [●], our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, 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.

### **BROKERS TO THE ISSUE**

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

### **EXPERT OPINION**

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

Our Company has received written consent from the Statutory Auditor namely, HSK & Co LLP Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus/Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their Report on Restated Financial Statements dated January 01, 2023 and Report on Statement of Tax Benefits dated January 01, 2023 and issued by them, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

Additionally, our Company has also received written consent dated December 28, 2022, from the Chartered Engineer, Kanubhai R Shah, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in relation to their certificate on the details of capacity and capacity utilization of our Company, included under “Our Business” on page 118 of this Draft Prospectus.

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

Securities Act.

### **GREEN SHOE OPTION**

No Green Shoe Option is contemplated under this Issue.

### **FILING THE DRAFT PROSPECTUS / PROSPECTUS**

The Draft Prospectus and Prospectus shall be filed with the Emerge Platform of NSE India (“NSE EMERGE Platform”) However, pursuant to sub regulation (5) of regulation 246, the soft copy of the Prospectus shall be furnished to the 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>. However, SEBI shall not issue any observation on the Offer Documents in terms of Regulation 246(2) of SEBI ICDR Regulations.

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 filed with the Registrar of Companies, RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus-Stop, Naranpura, Ahmedabad – 380 013, India at least (3) three working days prior from the date of opening of the Issue.

### **UNDERWRITERS**

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being issued through this Issue.

<b>Name, Address, Telephone, Facsimile, and Email of the Underwriters</b>	<b>Indicated number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten (₹ in Lakh)</b>	<b>% of the total Issue size Underwritten</b>
[●] [●] <b>Tel No:</b> +91 [●] <b>Fax No:</b> Not Available <b>Contact Person:</b> [●] <b>Email Id:</b> [●] <b>Website:</b> [●] <b>Investor Grievance Email:</b> [●] <b>SEBI Registration Number:</b> [●]	[●]*	[●]	[●]
<b>TOTAL</b>	[●]	[●]	[●]

\*Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

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

### **CHANGE IN THE STATUTORY AUDITOR DURING LAST 3 YEARS**

There has been no change in the Statutory Auditor of the Company during the last three years.

### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The notice of withdrawal will be

issued in the same newspapers where the pre-issue advertisements have appeared, and the Stock Exchange will also be informed promptly. The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the Final Listing and Trading Approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Prospectus with the Stock Exchange where the Equity Shares may be proposed to be listed.

#### **TYPE OF ISSUE**

The present issue is considered to be 100% Fixed Price Issue

#### **MIGRATION TO MAIN BOARD**

Our Company may migrate to the Main board of Stock Exchanges from EMERGE Platform of NSE on a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above ₹ 2,500.00 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained In-Principal approval from the Main Board), our Company shall apply to the Stock Exchanges for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the Paid up Capital of our Company is more than ₹ 1,000.00 lakhs but below ₹ 2,500.00 lakhs, our Company may still apply for migration to the Main Board if the Company fulfils the eligibility criteria for listing laid by the Main Board and if the same has been approved by a special resolution wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than Promoter shareholders against the proposal or as per applicable provisions.

#### **DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE**

Our Company and the Lead Manager has entered into Market Making Agreement dated [ ● ] with the following Market Maker to fulfill the obligations of Market Making for this Issue:

<b>Name</b>	[ ● ]
<b>Address</b>	[ ● ]
<b>Tel no</b>	[ ● ]
<b>Fax no</b>	[ ● ]
<b>Email id</b>	[ ● ]
<b>Website</b>	[ ● ]
<b>Investor Grievance Id</b>	[ ● ]
<b>Contact person</b>	[ ● ]
<b>Sebi Registration no</b>	[ ● ]
<b>Market Making Registration No.</b>	[ ● ]

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with NSE India to fulfil the obligations of Market Making) dated [ ● ] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares issued in this Issued.

[●] registered with EMERGE Platform of NSE India will act as the market maker and have agreed to receive or deliver the specified securities 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 amendment to SEBI (ICDR) Regulations.

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

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

1. The Market Maker(s) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of EMERGE Platform of NSE India and SEBI from time to time
3. The minimum depth of the quote shall be ₹ 1.00 Lakh. However, the investors with holdings of value less than 1.00 Lakh shall be allowed to offer their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●]/- per share the minimum bid lot size is [●] Equity Shares thus minimum depth of the quote shall be [●] until the same, would be revised by EMERGE Platform of NSE India.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
5. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size and as follows:

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

6. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
8. There would not be more than five Market Makers for a script at any point of time. These would be selected on the basis of objective criteria to be evolved by the Exchange which would include capital adequacy, net worth, infrastructure, minimum volume of business etc. The Market Makers

may compete with other Market Maker for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.

9. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
10. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
11. The shares of our Company will be traded in continuous trading session from the time and day our company gets listed on EMERGE Platform of NSE India and the Market Maker will remain present as per the guidelines mentioned under NSE Limited and SEBI circulars.
12. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
13. Once registered as a Market Maker, he has to act in that capacity for a period as mutually decided between the Lead Manager and Market Maker. Once registered as a Market Maker, he has to 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 Stock Exchange.
14. The Market Maker shall have the right to terminate said arrangement by giving a three month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.
15. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Maker does not exceed five (5) 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 Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
16. In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with NSE India to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares issued in this Issued. EMERGE Platform of NSE India will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
17. Punitive Action in case of default by Market Makers: EMERGE Platform of NSE India will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-

way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

18. **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:

- 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.
- 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.

19. 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 EMERGE Platform of NSE India

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

20. 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/ NSE India from time to time.

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

## CAPITAL STRUCTURE

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

*(Amount ₹ in Lakhs except share data)*

Sr. No.	Particulars	Aggregate Nominal Value	Aggregate value at Issue Price
<b>A.</b>	<b>AUTHORISED EQUITY SHARE CAPITAL</b>		
	2,11,11,111 Equity Shares of face value of ₹10.00/- each	2111.11	-
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	1,41,61,920 Equity Shares of face value of ₹10.00/- each	1416.19	-
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS *</b>		
	Up to 51,42,000 Equity Shares of ₹10.00/- each for cash at price of ₹ [●] /- per share	[●]	[●]
	<b>Which comprises:</b>		
	<b>Market Maker Reservation portion:</b> Reservation for Market Maker up to [●] Equity Shares of ₹ 10.00/- each for cash at price of ₹ [●] /- will be available for allocation to Market Maker	[●]	[●]
	<b>Net Issue to the Public:</b> Net Issue to the Public up to [●] Equity Shares of ₹10.00/-each for cash at price of ₹ [●] /- per share	[●]	[●]
	<b>Of which:</b>		
	<b>Allocation to Retail Individual Investor:</b> Up to [●] Equity Shares of face value of ₹ 10.00/- each fully paid up for a cash price of ₹ [●] /- per Equity Share i.e. 50% of the Net Issue shall be available for allocation Retail Individual Investors	[●]	[●]
	<b>Allocation to Other than Retail Individual Investors:</b> Up to [●] Equity Shares of face value of ₹ 10.00/- each fully paid up for a cash price of ₹ [●] /- per Equity Share i.e. 50% of the Net Issue shall be available for allocation to other than Retail Individual Investors	[●]	[●]
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE</b>		
	[●] Equity Shares of face value of ₹ 10.00 each		[●]
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue (as on date of this Draft Prospectus) **		519.15
	After the Issue*		[●]

*\*The present Issue has been authorized pursuant to a resolution of our Board of Directors dated December 09, 2022 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extraordinary General Meeting of the members held on December 20, 2022.*

*\*\*As certified by the statutory auditor H S K & Co LLP, Chartered Accountants vide its certificate dated January 20, 2023.*

### Class of Shares

Our Company has only one class of share capital i.e., Equity Shares of ₹ 10.00/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of this Draft Prospectus.

## NOTES TO THE CAPITAL STRUCTURE

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

Details of changes in Authorized Share Capital of the Company since incorporation:

Particulars of change	Date of shareholders' meeting	AGM/EOGM
The Authorised Share Capital of our Company is ₹ 1,00,00,000 consisting of 10,00,000 Equity Share of face value of ₹ 10.00/- each	On Incorporation	NA
Increase in Authorised Capital from ₹ 1,00,00,000 to ₹ 3,00,00,000 consisting of 30,00,000 Equity Share of face value of ₹ 10.00/- each	October 31, 2017	EOGM
Increase in Authorised Capital from ₹ 3,00,00,000 to ₹ 5,00,00,000 consisting of 50,00,000 Equity Share of face value of ₹ 10.00/- each	November 25, 2017	EOGM
Increase in Authorised Capital from ₹ 5,00,00,000 to ₹ 6,60,00,000 consisting of 66,00,000 Equity Share of face value of ₹ 10.00/- each	May 23, 2018	EOGM
Increase in Authorised Capital from ₹ 6,60,00,000 to ₹ 21,11,11,110 consisting of 2,11,11,111 Equity Share of face value of ₹ 10.00/- each	November 29, 2022	EOGM

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

The history of the Equity Share Capital of our Company is detailed in the following table:

Date of Allotment/ Issue	Number of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative Paid-Up Equity Shares Capital (₹)
On Incorporation	5,00,000	10	10	Cash	Subscription to MOA <sup>(i)</sup>	5,00,000	5,00,00,000
November 18, 2017	20,00,000	10	10	Cash	Right Issue <sup>(ii)</sup>	25,00,000	2,50,00,000
December 08, 2017	16,56,250	10	20	Cash	Private Placement <sup>(iii)</sup>	41,56,250	4,15,62,500
June 02, 2018	17,44,550	10	35	Cash	Private Placement <sup>(iv)</sup>	59,00,800	5,90,08,000
December 22, 2022	82,61,120	10	Not applicable	Not applicable	Bonus (14:10) <sup>(v)</sup>	1,41,61,920	14,16,19,200

- i. Initial Subscribers to the MOA subscribed to 5,00,000 Equity Shares of face value of ₹10.00/- each as per the details given below:



Sr. No.	Name	No. of Equity Shares
1.	Yash Chemex Limited	325000
2.	Yashwantlal Chhanalal Shah	113000
3.	Dimple Pritesh Shah	54000
4.	Raj Vikenkumar Shah	1000
5.	Ronak Jayeshkumar Mehta	1000
6.	Rahul Maheshbhai Shah	1000
7.	Komal Kalpesh Shah	5000
<b>Total</b>		<b>5,00,000</b>

- ii. **Right Issue of shares as on November 18, 2017 of 20,00,000 equity shares of face value of Rs 10/- each fully paid-up share, the details are given below:**

Sr. No.	Name	No. of Equity Shares
1.	Yash Chemex Limited	17,84,000
2.	Dimple Pritesh Shah	2,16,000
<b>Total</b>		<b>20,00,000</b>

- iii. **Private Placement of shares as on December 08, 2017 of 16,56,250 equity shares of face value of ₹ 10/- each fully paid-up share, the details are given below:**

Sr. No.	Name	No. of Equity Shares
1.	Mamtaben B. Shah	6250
2.	Bhartiben A. Soni	25000
3.	Komal K. Shah	97500
4.	Visha B. Shah	15000
5.	Premilaben M. Shah	5000
6.	Bhavesh P. Darji	50000
7.	Parshwa K. Shah	25000
8.	Sanjay M. Rajguru	25000
9.	Rajesh K. Shah	75000
10.	Nilam S. Joshi	25000
11.	Hetal H. Shah	25000
12.	Rina B Dorji	50000
13.	Chandresh G Patel	62500
14.	Hemin N Shah	50000
15.	Navinbhai G Patel	62500
16.	Bhavna M Maheshwari	12500
17.	Sanjeev S Mehta	25000
18.	Mahesh J Maheshwari	17500
19.	Girdharilal P Purohit	15000
20.	Yash Chemex Limited	10000
21.	Bhavik H Galani	50000
22.	Gambhirmal R Shah on behalf of Nevana Metal Corporation	20840
23.	Lalit T Shah on behalf of Nevana Metal Corporation	20840
24.	Naresh J Shah on behalf of Nevana Metal Corporation	20830
25.	Dinesh R Shah on behalf of Nevana Metal Corporation	20830

Sr. No.	Name	No. of Equity Shares
26.	Harakhchand R Shah Nevana Metal Corporation	20830
27.	Jitendra K Shah on behalf of Nevana Metal Corporation	20830
28.	Rasila N Shah	25000
29.	Pankaj M Patel	25000
30.	Kushal N Shah	25000
31.	Mitesh C Gandhi	50000
32.	Suresh J Maheshwari	5000
33.	Shailesh M Patel	175000
34.	Reena J Patel	125000
35.	Rohit I Patel	25000
36.	Himanshu B Sheth	2500
37.	Manohar Maheshwari	25000
38.	Priyank I. Rakholiya	125000
39.	Trupti J Soni	25000
40.	Mahesh M Shah	30000
41.	Deepti D Patel	50000
42.	Nishit D Shah	25000
43.	Manvesh B Shah	60000
44.	Bandish M Shah	5000
<b>Total</b>		<b>16,56,250</b>

**iv. Private Placement of shares as on June 02, 2018 of 17,44,550 equity shares of face value of ₹ 10/- each fully paid-up share, the details are given below:**

Sr. No.	Name	No. of Equity Shares
1.	Yash Chemex Limited	500000
2.	Rina Bhaveshbhai Darji	50000
3.	Chandresh Gordhanbhai Patel	30000
4.	Navinbhai Gordhanbhai Patel	30000
5.	Harshadkumar Ramnanlal Shah	11500
6.	Amit Vimal Doshi	75000
7.	Sunil Mangaldas Doshi	30000
8.	Ami Sunil Doshi	3000
9.	Anitaben Ashishkumar Gandhi	15000
10.	Hetal Mehulbhai Doshi	5000
11.	Bhavina Manvesh Shah	15000
12.	Tarulataben Babulal Shah	15000
13.	Bharatbhai Ranchhodbhai Rakholia	14500
14.	Bhaylal Manubhai Dudhat	25000
15.	Rajubhai Ranchhodbhai Rakholiya	14500
16.	Bipinkumar Vrajlal Rakholiya	14500
17.	Mukund Vallabhbhai Vora	5000
18.	Dharam Harilal Dhanani	30000

19.	Rakesh Dhirubhai Patel	5000
20.	Harsukhbhai J. Vekaria	33000
21.	Kishorkumar Vrajilal Rakholiya	35500
22.	Kiritbhai Jadhavbhai Vaghasia	33000
23.	Dilipbhai Jayantilal Shah	17500
24.	Dharmil Dilipbhai Shah	17500
25.	Amitkumar Champaklal Shah	25000
26.	Bhavik Shantilal Shah	27500
27.	Pooja Lalit Patel Represented By Jagruti Lalit Patel(Guardian)	125000
28.	Nitaben Bhupeshkumar Shah	18000
29.	Brijesh Mahendrabhai Patel	25000
30.	Mitesh Pankajkumar Soni	30000
31.	Malvi Asit Shah	50000
32.	Bharti Jitendrabhai Sanghvi	6000
33.	Prakash Chhanalal Patel	40000
34.	Saras Mukesh Lad	12000
35.	Nagarbhai Bhikhabhai Patel	12000
36.	Dhruvil Mayank Shah	3000
37.	Mona Jaimik Shah	16750
38.	Satish Gopalbhai Patel	30000
39.	Gitaben Harshadkumar Shah	18800
40.	Ketul Harshadkumar Shah	21500
41.	Ashmitaben Vijaykumar Gandhi	15000
42.	Pankit Kiritkumar Shah	15000
43.	Kamini Pratik Patel	6000
44.	Vinodkumar Fakirchand Shah	15000
45.	Viral Ramgopal Gupta	24000
46.	Anil Ramnivas Gupta	24000
47.	Mukeshkumar Kalidas Patel	25000
48.	Vasantkumar Sankarbhai Patel	25000
49.	Jatin Rajeshbhai Patel	25000
50.	Ajit Shantilal Shah-HUF	31500
51.	Paresh Zaverchand Shah	30000
52.	Paresh Bhagubhai Patel	12000
53.	Pravin Dhirajlal Patel	12000
<b>Total</b>		<b>17,44,550</b>

- v. **Bonus Issue of 82,61,120 Equity shares of face value of ₹ 10/- to existing shareholders in the ratio of 14 (Fourteen) Equity shares for every 10(Ten) held. List of allottees who were allotted equity shares is as follows:**

Date of Issue/ Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Name of Allottees	Benefits Accrued
December 22, 2022	82,61,120	10	Nil	Bonus Issue	Refer to Note 1	Capitalization of Reserves and Surplus

*Note 1: Allotment of 7,000 equity shares to Rakesh Dhirubhai Patel, 21,000 equity shares to Anitaben Ashishkumar Gandhi, 35,000 equity shares to Trupti Jigneshbhai Soni, 2,45,000 equity shares to Shaileshbhai Mohanbhai Patel, 4,200 equity shares to Dhruvil Mayankkumar Shah, 1,05,000 equity shares to Amit Vimal Doshi, 29,176 equity shares to Lalitkumar Tilokchand Shah, 29,162 equity shares to Harakchand Ramanlal Shah, 29,162 equity shares to Naresh Jivraj Shah, 29,176 equity shares to Gambhirmal Ramanlal Shah, 29,162 equity shares to Jitendra Kantilal Shah, 29,162 equity shares to Dinesh Ramanlal Shah, 42,000 equity shares to Sunil Mangaldas Doshi, 4200 equity shares to Ami Sunil Doshi, 35,000 equity shares to Brijesh Mahendrabhai Patel, 1400 equity shares to Kishorkumar Vrajlal Rakholiya, 20,300 equity shares to Bharatbhai Ranchhodhbhai Rakholia, 21,000 equity shares to Girdharilal Purohit, 7000 equity shares to Ruchit Bipinkumar Rakholiya, 5600 equity shares to Hirenkumar Nanjibhai Kakadiya, 7000 equity shares to Bandish Manveshkumar Shah, 84,000 equity shares to Manvesh Babulal Shah, 94150 equity shares to Sapna Bhavik Shah, 21,000 equity shares to Ashmitaben Vijaykumar Gandhi, 72,520 equity shares to Minaxiben Lakhani, 418180 equity shares to Lakhani Jignesh Jasmatbhai (Huf), 70,000 equity shares to Jigneshbhai Jasmatbhai Lakhani, 14,000 equity shares to Chirag Damjibhai Katrodiya, 87,500 equity shares to Aashar Capital Services Private Limited, 5,320 equity shares to Mukeshbhai Shamjibhai Anghan, 14,000 equity shares to Mitesh Laxmanbhai Chaklasia, 14,000 equity shares to Sunilbhai Zaverbhai Vaghasiya, 1,75,000 equity shares to Priyank J Rakholiya, 35,000 equity shares to Vasantkumar Sankabhai Patel, 35,000 equity shares to Pankaj Maganlal Patel, 35,000 equity shares to Rohitbhai Ishwarbhai Patel, 1,29,500 equity shares to Navinbhai Gordhandas Patel, 57,95,650 equity shares to Yash Chemex Limited, 70,000 equity shares to Bhavesh Pareshbhai Darji, 8,400 equity shares to Bhartiben Jitubhai Sanghvi, 35,000 equity shares to Mukeshkumar Kalidas Patel, 70,000 equity shares to Mitesh Champaklal Gandhi, 35,000 equity shares to Jatin Rajeshbhai Patel, 33,600 equity shares to Viral Ramgopal Gupta, 33,600 equity shares to Anil Ramnivas Gupta, 56,000 equity shares to Arti Bhaveshbhai Dholiya, 7000 equity shares to Dharmil Dilipkumar Shah, 42,000 equity shares to Mitesh Pankajkumar Soni, 35,000 equity shares to Sanjay Rajguru*

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

Except as disclosed below, we have not issued any Equity Shares for consideration other than cash, at any point of time since Incorporation:

Date of Issue/ Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Name of Allottees	Benefits Accrued
December 22, 2022	82,61,120	10	Nil	Bonus Issue	Refer note 1	Capitalization of Reserve and Surplus

*Note 1: Allotment of 7,000 equity shares to Rakesh Dhirubhai Patel, 21,000 equity shares to Anitaben Ashishkumar Gandhi, 35,000 equity shares to Trupti Jigneshbhai Soni, 2,45,000 equity*

shares to Shaileshbhai Mohanbhai Patel, 4,200 equity shares to Dhruvil Mayankkumar Shah , 1,05,000 equity shares to Amit Vimal Doshi, 29,176 equity shares to Lalitkumar Tilokchand Shah, 29,162 equity shares to Harakchand Ramanlal Shah, 29,162 equity shares to Naresh Jivraj Shah, 29,176 equity shares to Gambhirmal Ramanlal Shah, 29,162 equity shares to Jitendra Kantilal Shah, 29,162 equity shares to Dinesh Ramanlal Shah, 42,000 equity shares to Sunil Mangaldas Doshi, 4200 equity shares to Ami Sunil Doshi, 35,000 equity shares to Brijesh Mahendrabhai Patel, 1400 equity shares to Kishorkumar Vrajlal Rakholiya, 20,300 equity shares to Bharatbhai Ranchhodbhai Rakholia , 21,000 equity shares to Girdharilal Purohit, 7000 equity shares to Ruchit Bipinkumar Rakholiya, 5600 equity shares to Hirenkumar Nanjibhai Kakadiya, 7000 equity shares to Bandish Manveshkumar Shah, 84,000 equity shares to Manvesh Babulal Shah, 94150 equity shares to Sapna Bhavik Shah, 21,000 equity shares to Ashmitaben Vijaykumar Gandhi, 72,520 equity shares to Minaxiben Lakhani, 418180 equity shares to Lakhani Jignesh Jasmatbhai (Huf), 70,000 equity shares to Jigneshbhai Jasmatbhai Lakhani, 14,000 equity shares to Chirag Damjibhai Katrodiya, 87,500 equity shares to Aashar Capital Services Private Limited, 5,320 equity shares to Mukeshbhai Shamjibhai Anghan, 14,000 equity shares to Mitesh Laxmanbhai Chaklasia, 14,000 equity shares to Sunilbhai Zaverbhai Vaghasiya, 1,75,000 equity shares to Priyank J Rakholiya, 35,000 equity shares to Vasantkumar Sankabhai Patel, 35,000 equity shares to Pankaj Maganlal Patel, 35,000 equity shares to Rohitbhai Ishwarbhai Patel, 1,29,500 equity shares to Navinbhai Gordhandas Patel, 57,95,650 equity shares to Yash Chemex Limited, 70,000 equity shares to Bhavesh Pareshbhai Darji, 8,400 equity shares to Bhartiben Jitubhai Sanghvi, 35,000 equity shares to Mukeshkumar Kalidas Patel, 70,000 equity shares to Mitesh Champaklal Gandhi, 35,000 equity shares to Jatin Rajeshbhai Patel, 33,600 equity shares to Viral Ramgopal Gupta, 33,600 equity shares to Anil Ramnivas Gupta, 56,000 equity shares to Arti Bhaveshbhai Dholiya, 7000 equity shares to Dharmil Dilipkumar Shah, 42,000 equity shares to Mitesh Pankajkumar Soni, 35,000 equity shares to Sanjay Rajguru

**4. Issue of specified securities at a price lower than the Issue Price in the last year**

The Issue Price shall be determined by our Company, in consultation with the LM. Except for the allotment of 82,61,120 Equity Shares pursuant to a bonus issue to all the Shareholders, as approved by our Board pursuant to its allotment resolution dated December 22, 2022, our Company has not issued any Equity Shares at a price which may be lower than the Issue Price, during a period of one year preceding the date of this Draft Red Herring Prospectus.

5. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-234 of the Companies Act, 2013.
6. We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
7. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees.
8. As on the date of this Draft Prospectus, our Company does not have any Preference Share Capital.

**Shareholding Pattern of our Company and the Equity shares held by them is as follows:**

The table below represents the current Shareholding pattern of our Company as on the date of this Draft Prospectus:

Category (I)	Category of Shareholder (II)	No. of Shareholders (II I)	No of fully paid-up equity shares held (IV)	No of partly paid-up equity shares held (V)	No. of shares under lying Depository Receipts (VI I)	Total No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957 (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI =VII +X)	Number of Locked in shares (XII)		No. of shares Pledged or Otherwise Encumbered (XIII)		No. of Equity shares held in Demat Form (XIV)
								No of voting Right	Total as % of (A+B+C)			No (a)	As % of total shares held (b)	No (a)	As % of total shares held (b)	
<b>A</b>	Promoter and Promoter Group**	1	99,35,400	--	--	99,35,400	70.16%	99,35,400	70.16%	--	--	--	--	--	--	70.16%
<b>B</b>	Public	49	42,26,520	--	--	42,26,520	29.84%	42,26,520	29.84%	--	--	--	--	--	--	29.84%
<b>C</b>	Non-Promote	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

	r Non-Public																
<b>C1</b>	Shares Underlying DRs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>C2</b>	Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	<b>Total (A+B+C)</b>	<b>50</b>	<b>1,41,61,920</b>	<b>--</b>	<b>--</b>	<b>1,41,61,920</b>	<b>100.00%</b>		<b>100.00%</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>100.00%</b>

*\*As on the date of this Draft Prospectus 1 Equity Share holds 1 vote*

- *\* Ronak Jayeshkumar Mehta, Raj Vikenkumar Shah, Rahul Maheshbhai Shah, Dimple Priteshr Shah and Yashwantlal Channalal Shah deemed to be person acting in concert. However, do not qualify part of the promoter and promoter group pursuant to definition of promoter group under Regulation 2(pp) of SEBI ICDR Regulations. PAN of the Shareholders will be provided by our Company prior to Listing of Equity Shares on the Stock Exchange.*
- 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 NSE EMERGE platform before commencement of trading of such equity shares.
- In terms of SEBI circular bearing no. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/CIR/ISD/05/2011 dated September 30, 2011 our Company has ensured that the Equity Shares held by the Promoter / members of the Promoter Group shall be dematerialized prior to filing the Prospectus with the ROC.

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9. The share holding pattern of our Promoter and Promoter Group before and after the Issue is set forth below:

Particulars	Pre-Issue		Post-Issue*	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
<b>Promoter (A)</b>				
Yash Chemex Limited	99,35,400	70.16%	[●]	[●]
<b>Total (A)</b>	<b>99,35,400</b>	<b>70.16%</b>	<b>[●]</b>	<b>[●]</b>
<b>Promoter Group (B)</b>				
Nil	NA	NA		
<b>Total (B)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total (A+B)</b>	<b>99,35,400</b>	<b>70.16%</b>	<b>[●]</b>	<b>[●]</b>

\*Subject to Basis of Allotment

10. Details regarding major shareholders:

- (a) List of shareholders holding 1% or more of the paid-up capital of our Company as on date of this Draft Prospectus:

Particulars	Number of Shares	Percentage (%) holding
Yash Chemex Limited	99,35,400	70.16
Lakhani Jignesh Jasmatbhai (HUF)	6,83,380	5.06
Shaileshbhai Mohanbhai Patel	4,20,000	2.97
Priyank J Rakholiya	3,00,000	2.12
Navinbhai Gordhandas Patel	2,22,000	1.57
Amit Vimal Doshi	1,80,000	1.27
Sapna Bhavik Shah	1,61,400	1.14
Aashar Capital Services Private Limited	1,50,000	1.06
Manvesh Babulal Shah	1,44,000	1.02
<b>Total</b>	<b>1,21,96,180</b>	<b>86.14</b>

- (b) List of shareholders holding 1% or more of the paid-up capital of our Company two (2) years prior to the date of this Draft Prospectus:

Particulars	Number of Shares	Percentage (%) holding
Yash Chemex Limited	30,27,000	51.30
Shailesh Mohanbhai Patel	1,75,000	2.97
Priyank Jitendrabhai Rakholiya	1,25,000	2.12
Jagruti Lalit Patel (Gardian of Pooja Lalit Patel)	1,25,000	2.12
Patel Reena Jayprakash	1,25,000	2.12
Komal Kalpesh Shah	1,02,500	1.74



Particulars	Number of Shares	Percentage (%) holding
Rinaben Bhaveshbhai Darji	1,00,000	1.69
Chandreshkumar Gordhanbhai Patel	92,500	1.57
Navinbhai Gordhandas Patel	92,500	1.57
Amit Vimal Doshi	75,000	1.27
Rajesh K Shah	75,000	1.27
Manvesh Babulal Shah	60,000	1.02
<b>Total</b>	<b>41,74,500</b>	<b>70.74</b>

**(c) List of shareholders holding 1% or more of the paid-up capital of, our Company one (1) year prior to the date of this Draft Prospectus:**

Particulars	Number of Shares	Percentage (%) holding
Yash Chemex Limited	3033500	51.41
Shailesh Mohanbhai Patel	175000	2.97
Priyank Jitendrabhai Rakholiya	125000	2.12
Jagruti Lalit Patel (Gardian of Pooja Lalit Patel)	125000	2.12
Patel Reena Jayprakash	125000	2.12
Komal Kalpesh Shah	102500	1.74
Rinaben Bhaveshbhai Darji	100000	1.69
Chandreshkumar Gordhanbhai Patel	92500	1.57
Navinbhai Gordhandas Patel	92500	1.57
Amit Vimal Doshi	75000	1.27
Rajesh K Shah	68500	1.16
Manvesh Babulal Shah	60000	1.02
<b>Total</b>	<b>41,74,500</b>	<b>70.74</b>

**(d) List of shareholders holding 1% or more of the paid-up capital of our Company ten (10) days prior to the date of this Draft Prospectus:**

Particulars	Number of Shares	Percentage (%) holding
Yash Chemex Limited	99,35,400	70.16
Lakhani Jignesh Jasmatbhai (HUF)	7,16,880	5.06
Shaileshbhai Mohanbhai Patel	4,20,000	2.97
Priyank J Rakholiya	3,00,000	2.12
Navinbhai Gordhandas Patel	2,22,000	1.57
Amit Vimal Doshi	1,80,000	1.27
Sapna Bhavik Shah	1,61,400	1.14
Aashar Capital Services Private Limited	1,50,000	1.06
Manvesh Babulal Shah	1,44,000	1.02
<b>Total</b>	<b>1,22,29,680</b>	<b>86.36</b>

11. Our Company has not issued any convertible instruments like warrants, debentures etc. since its incorporation and there are no outstanding convertible instruments as on date of this Draft Prospectus.
12. Our Company presently does not have any intention, proposal, negotiation or consideration to alter its capital structure within a period of six (6) months from the date of Issue Opening Date, 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 or issue of bonus or rights, except that if we acquire companies / business or enter into joint venture(s) or for any regulatory compliance, 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.
13. **Details of our Promoter' Shareholding**

As on the date of this Draft Prospectus, our Promoter holds 99,35,400 Equity Shares constituting 70.16% of the pre- issued, subscribed and paid-up Equity Share capital of our Company.

***Build-up of our Promoter shareholding in our Company***

Date of Allotment/ Acquisition / Sale	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature Allotment	% of pre issue equity share capital	% of post issue equity share capital*
<b>Name of Promoter: Yash Chemex Limited</b>							
October 17, 2017	325000	10	10	Cash	Subscription to MOA	2.29	[●]
November 18, 2017	17,84,000	10	10	Cash	Right Issue	12.60	[●]
December 08, 2017	10,000	10	20	Cash	Private Placement	0.07	[●]
May 14, 2018	270000	10	25	Cash	Transfer from Dimple Pritesh Shah	1.91	[●]
May 14, 2018	113000	10	25	Cash	Transfer from Yashwantlal Chhanalal Shah	0.80	[●]
June 02, 2018	5,00,000	10	35	Cash	Private Placement	3.53	[●]
January 01, 2020	25000	10	36	Cash	Transfer from Amitkumar Champaklal Shah	0.18	[●]
April 30, 2021	6500	10	36	Cash	Transfer from Rajesh K Shah	0.05	[●]
April 05, 2021	6250	10	36	Cash	Transfer from	0.04	[●]

Date of Allotment/ Acquisition / Sale	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature Allotment	% of pre issue equity share capital	% of post issue equity share capital*
					Mamtaben Bhaveshkumar Shah		
July 16,2021	39500	10	36	Cash	Transfer from Rajesh K Shah	0.28	[●]
July 29,2021	22000	10	36	Cash	Transfer from Prakash Chhanalal Patel	0.16	[●]
July 29,2021	12000	10	36	Cash	Transfer from Saras Mukesh Lad	0.08	[●]
August 23,2021	15000	10	36	Cash	Transfer from Bhavina Manveshkumar Shah	0.11	[●]
September 01,2021	12000	10	36	Cash	Transfer from Nagarbhai Bhikhabhai Patel	0.08	[●]
September 02,2021	12000	10	36	Cash	Transfer from Pravinkumar Dhirajlal Patel	0.08	[●]
September 02,2021	12000	10	36	Cash	Transfer from Pareshbhai Bhagubhai Patel	0.08	[●]
October 18,2021	10000	10	36	Cash	Transfer from Hemin Natvarlal Shah	0.07	[●]
October 19,2021	10000	10	36	Cash	Transfer from Hemin Natvarlal Shah	0.07	[●]
November 15, 2021	10000	10	36	Cash	Transfer from Hemin Natvarlal Shah	0.07	[●]
November 30,2021	10000	10	36	Cash	Transfer from Hemin Natvarlal Shah	0.07	[●]
December 03,2021	2500	10	36	Cash	Transfer from Himanshu kumar Babulal Sheth	0.02	[●]
January 01,2022	10000	10	36	Cash	Transfer from	0.07	[●]

Date of Allotment/ Acquisition / Sale	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature Allotment	% of pre issue equity share capital	% of post issue equity share capital*
					Hemin Natvarlal Shah		
January 11,2022	14000	10	36	Cash	Transfer from Mahesh Mangaldas Shah	0.10	[●]
May 05,2022	5000	10	36	Cash	Transfer from Sureshkumar Jagdish Maheshwari	0.04	[●]
May 13,2022	25000	10	36	Cash	Transfer from Bhartiben Anishkumar Soni	0.18	[●]
May 20,2022	15000	10	36	Cash	Transfer from Tarulata Babulal Shah	0.11	[●]
May 31,2022	12500	10	36	Cash	Transfer from Bhawna Mahesh Maheshwari	0.09	[●]
June 24,2022	50000	10	36	Cash	Transfer from Bhavikkumar Harehbhai Galani	0.35	[●]
June 21,2022	8750	10	36	Cash	Transfer from Mahesh Jagdish Maheshwari	0.06	[●]
August 02,2022	18000	10	36	Cash	Transfer from Prakash Chhanalal Patel	0.13	[●]
August 04,2022	16000	10	36	Cash	Transfer from Mahesh Mangaldas Shah	0.11	[●]
August 10,2022	40000	10	36	Cash	Transfer from Komal Kalpesh Shah	0.28	[●]
August 08,2022	25000	10	36	Cash	Transfer from Nilam Shailesh Joshi	0.18	[●]

Date of Allotment/ Acquisition / Sale	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature Allotment	% of pre issue equity share capital	% of post issue equity share capital*
September 21,2022	8750	10	36	Cash	Transfer from Mahesh Jagdish Maheshwari	0.06	[●]
October 11,2022	50000	10	36	Cash	Transfer from Rinaben Bhaveshbhai Darji	0.35	[●]
October 27,2022	29000	10	36	Cash	Transfer from Rajesh K Shah	0.20	[●]
November 11,2022	50000	10	36	Cash	Transfer from Rinaben Bhaveshbhai Darji	0.35	[●]
November 29,2022	25000	10	36	Cash	Transfer from Kushal Narendrabhai Shah	0.18	[●]
December 01,2022	18000	10	36	Cash	Transfer from Nitaben Bhupeshkumar Shah	0.13	[●]
December 05,2022	17500	10	36	Cash	Transfer from Dilip J Shah	0.12	[●]
December 06,2022	30000	10	36	Cash	Transfer from Pareshkumar Zaverchand Shah	0.21	[●]
December 06,2022	25000	10	36	Cash	Transfer from Parshwa Kaushal Shah	0.18	[●]
December 07,2022	125000	10	36	Cash	Transfer from Pooja Lalitbhai Patel	0.88	[●]
December 07,2022	6000	10	36	Cash	Transfer from Kamini P Patel	0.04	[●]
December 08,2022	31500	10	36	Cash	Transfer from Ajit Shah	0.22	[●]
December 08,2022	25000	10	36	Cash	Transfer from Nishit Shah	0.18	[●]

Date of Allotment/ Acquisition / Sale	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature Allotment	% of pre issue equity share capital	% of post issue equity share capital*
December 09,2022	33000	10	36	Cash	Transfer from Harsukhbhai Vekaria	0.23	[●]
December 09,2022	30000	10	36	Cash	Transfer from Satish Patel	0.21	[●]
December 09,2022	20000	10	36	Cash	Transfer from Kishorkumar Rakholiya	0.14	[●]
December 09,2022	92500	10	36	Cash	Transfer from Chandreshbhai G Patel	0.65	[●]
December 09,2022	25000	10	36	Cash	Transfer from Sanjeev Mehta	0.18	[●]
December 09,2022	15000	10	36	Cash	Transfer from Vinodkumar F Shah	0.11	[●]
December 09,2022	14500	10	36	Cash	Transfer from Rajubhai Rakholiya	0.10	[●]
December 14,2022	1000	10	36	Cash	Transfer from Rahul M. Shah	0.01	[●]
December 14,2022	15000	10	36	Cash	Transfer from Pankit K. Shah	0.11	[●]
December 15,2022	1000	10	36	Cash	Transfer from Raj Shah	0.01	[●]
December 15,2022	5000	10	36	Cash	Transfer from Premilaben Shah	0.04	[●]
December 19,2022	1000	10	36	Cash	Transfer from Ronak J Mehta	0.01	[●]
December 22,2022	5795650	10	NA	Other than Cash	Bonus Issue	40.92	[●]
<b>Total</b>	<b>99,35,400</b>	<b>10</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>70.16</b>	<b>[●]</b>

*\*Subject to finalization of Basis of Allotment*

14. All the Equity Shares allotted and held by our Promoter were fully paid at the time of allotment itself. Further, none of the Equity Shares held by our Promoter are subject to any pledge.

15. The average cost of acquisition of or subscription to Equity Shares by our Promoter are set forth in the table below:

Name of the Promoter	No. of Equity Shares held	Average cost of Acquisition (in ₹) *
Yash Chemex Limited	99,35,400	8.99

\*As certified by our Statutory Auditor vide their certificate dated January 20, 2023

16. As on date of filing Draft Prospectus, we have 50 (Fifty) shareholders.

**17. Acquisition and sale/transfer of Equity Shares by our Promoter in last six (6) months**

Except as stated below, there has been no acquisition, sale or transfer of Equity Shares by our Promoter Group and/or director of the Company and their relative during last 6 months preceding the date of filing of this Draft Prospectus.

Name	Category	Sale/Purchase/Transfer	Number of Equity shares	Issue Price in ₹	Date of transaction
Yash Chemex Limited	Promoter	Transfer from Prakash Chhanalal Patel	18000	36	August 02,2022
		Transfer from Mahesh Mangaldas Shah	16000	36	August 04,2022
		Transfer from Komal Kalpesh Shah	40000	36	August 10,2022
		Transfer from Nilam Shailesh Joshi	25000	36	August 08,2022
		Transfer from Mahesh Jagdish Maheshwari	8750	36	September 21,2022
		Transfer from Rinaben Bhaveshbhai Darji	50000	36	October11,2022
		Transfer from Rajesh K Shah	29000	36	October 27,2022
		Transfer from Rinaben Bhaveshbhai Darji	50000	36	November 11,2022
		Transfer from Kushal Narendrabhai Shah	25000	36	November 29,2022
		Transfer from Nitaben Bhupeshkumar Shah	18000	36	December 01,2022
		Transfer from Dilip J Shah	17500	36	December 05,2022

		Transfer from Pareshkumar Zaverchand Shah	30000	36	December 06,2022
		Transfer from Parshwa Kaushal Shah	25000	36	December 06,2022
		Transfer from Pooja Lalitbhai Patel	125000	36	December 07,2022
		Transfer from Kamini P Patel	6000	36	December 07,2022
		Transfer from Ajit Shah	31500	36	December 08,2022
		Transfer from Nishit Shah	25000	36	December 08,2022
		Transfer from Harsukhbhai Vekaria	33000	36	December 09,2022
		Transfer from Satish Patel	30000	36	December 09,2022
		Transfer from Kishorkumar Rakholiya	20000	36	December 09,2022
		Transfer from Chandreshbhai G Patel	92500	36	December 09,2022
		Transfer from Sanjeev Mehta	25000	36	December 09,2022
		Transfer from Vinodkumar F Shah	15000	36	December 09,2022
		Transfer from Rajubhai Rakholiya	14500	36	December 09,2022
		Transfer from Rahul M. Shah	1000	36	December 14,2022
		Transfer from Pankit K. Shah	15000	36	December 14,2022
		Transfer from Raj Shah	1000	36	December 15,2022
		Transfer from Premilaben Shah	5000	36	December 15,2022
		Transfer from Ronak J Mehta	1000	36	December 19,2022

18. No financing arrangements have been entered by the members of the Promoter Group, the Directors or their relatives for the purchase by any other person of the securities of our Company other than in the normal course of business of the financing entity during a period of six months preceding the date of filing of this Draft Prospectus.



## 19. Details of Promoter' Contribution and Lock-in for Three Years

Pursuant to the Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment in this Issue. As on date of this Draft Prospectus, our Promoter holds [●] Equity Shares constituting [●]% of the post Issue Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoter' Contribution.

Our Promoter have granted consent to include such number of Equity Shares held by him as may constitute of the post issue Equity Share capital of our Company as Promoter' Contribution and has agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter' Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above. Details of the Equity Shares forming part of Promoter' Contribution and their lock-in details are as follows:

Date of Allotment/transfer/made fully paid up	Nature of acquisition	Number of Equity Shares	Face Value per Equity Share (₹)	Issue price per Equity Share (₹)	% Of Pre-Issue Equity Share Capital	% Of Post-Issue Equity Share Capital	Lock-in Period
Yash Chemex Limited							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Total</b>		[●]	[●]	[●]	[●]	[●]	[●]

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoter' Contribution under Regulation 237 of the SEBI (ICDR) Regulations, 2018. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- (i) The Equity Shares acquired during the three years preceding the date of this Draft Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets, or bonus shares issued out of revaluations reserves or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoter's Contribution;
- (ii) The Equity Shares acquired during the year preceding the date of this Draft Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue is not part of the minimum promoter's contribution;
- (iii) The Equity Shares held by the Promoter that are subject to any pledge or any other form of encumbrance.
- (iv) Specific written consent has been obtained from the Promoter for inclusion of [●] Equity Shares for ensuring lock-in of three years to the extent of minimum [●] % of post issue Paid-up Equity Share Capital from the date of allotment in the public Issue.
- (v) The minimum Promoter' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoter under the SEBI (ICDR) Regulations. The Promoter' Contribution constituting [●] Equity Shares which is [●] % of the post issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.
- (vi) We further confirm that our Promoter' Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

## 20. Equity Shares locked-in for one year other than Minimum Promoter' Contribution.

Pursuant to regulation 238(b) and 239 of the SEBI (ICDR) Regulations, other than the Equity Shares

held by our Promoter, which will be locked-in as minimum Promoter' contribution for three years, all pre-Issue [ ● ] Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

**21. Inscription or recording of non-transferability**

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

**22. Pledge of Locked in Equity Shares**

Pursuant to Regulation 242 of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoter can be pledged with any scheduled commercial bank or public financial institution or systematically important non-banking finance company or a housing finance company as collateral security for loans granted by them, provided that:

- a) if the equity shares are locked-in in terms of clause (a) of regulation 238, the loan has been granted to the company for the purpose of financing one or more of the objects of the issue and pledge of equity shares is one of the terms of sanction of the loan;
- b) if the specified securities are locked-in in terms of clause (b) of regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

**23.** Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

**24. Transferability of Locked in Equity Shares**

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

- a) The Equity Shares held by our Promoter and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoter or any person of the Promoter' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- b) The equity shares held by persons other than Promoter and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoter' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

**25.** Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.

**26.** As on date of this Draft Prospectus, there are no partly paid-up equity shares and all the Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants shall be issued fully paid-up equity shares.

27. 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 Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
28. As per RBI regulations, OCBs are not allowed to participate in this Issue.
29. Our Company has not raised any bridge loans.
30. There are no Equity Shares against which depository receipts have been issued.
31. The Issue Price shall be determined by our Company and the Promoter, in consultation with the Lead Manager.
32. Our Company has not re-valued our assets and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves except as mentioned below.
33. As on date of this Draft Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and Sections 230-232 of the Companies Act, 2013.
34. None of the persons/entities comprising our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six (6) months immediately preceding the date of this Draft Prospectus.
35. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed. Our Company does not have any intention or proposal to alter its capital structure within a period of 6 (six) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, Our Company is in expansion phase and may need additional capital to fund existing/ and or future organic and/ or inorganic expansion. Therefore, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the issue appropriately in due compliance with the applicable statutory provisions
36. Our Promoter and the members of our Promoter Group will not participate in this Issue.
37. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
38. Our Company will ensure that any transactions in the Equity Shares by the Promoter and the Promoter Group between the date of filing this Draft Prospectus and Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
39. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (determined as per the definition of 'associate Company' under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company.

40. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
41. Prior to this Initial Public Offer, our Company has not made any public issue at large.
42. For the details of transactions by our Company with our Promoter Group, Group Companies for the Financial year ended March 31, 2022, Financial year ended March 31, 2021 and Financial year ended March 31, 2020 and for the six months period ended on September 30, 2022 please refer to Related Parties Transactions as restated in the chapter titled "***Restated Financial Statement***" beginning on page no. 186 of this Draft Prospectus.
43. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled "***Our Management***" beginning on page no. 161 of this Draft Prospectus.
44. All the equity shares of our Company are fully paid up as on the date of this Draft Prospectus.
45. An over-subscription to the extent of 1% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3-year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

## SECTION – IV – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue comprises a Fresh Issue of up to 51,42,000 Equity Shares by our Company aggregating to ₹ [ ● ] Lakhs (“Fresh Issue”).

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

1. Meeting incremental working capital requirements; and
2. General corporate purposes

(Collectively referred to as “Objects”)

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

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 in the Issue. The fund requirement and its deployment are based on estimates made by our management and such estimates have not been subjected to appraisal by any bank or financial institution.

### NET PROCEEDS

The details of the proceeds from the Issue are set out in the following table:

Particulars	Estimated Amount (₹ in Lakhs)
Gross proceeds of the Fresh Issue	[ ● ]
Less: Issue related expenses	[ ● ]
<b>Net Proceeds</b>	[ ● ]

### REQUIREMENT OF FUNDS AND UTILIZATION OF NET PROCEEDS

Particulars	Amount (₹ in Lakhs)
Meeting incremental working capital requirements*	[ ● ]
General corporate purposes#	[ ● ]
<b>Total</b>	[ ● ]

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

*# The amount utilized for General Corporate Purpose shall not exceed 25% of the Gross Proceeds of the issue.*

### UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT

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)

Particulars	Amount to be funded from Net Proceeds	Estimated utilisation of Net Proceeds	
		Financial year ended March 31, 2023	Financial year ended March 31, 2024
Meeting incremental working capital requirements	[●]	[●]	[●]
General corporate purposes*	[●]	[●]	[●]
<b>Net Proceeds of the issue</b>	[●]	[●]	[●]

\* The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue

We propose to deploy the entire Net Proceeds towards the Objects of the Issue by the end of the Financial Year 2024 and in the manner as specified in the table above. However, if the Net Proceeds are not completely utilised for the Objects of the Issue stated above by the end of Financial Year 2024, such amounts will be utilised (in part or full) in the next financial year or subsequent periods towards the aforementioned Objects of the Issue, as determined by us, in accordance with applicable law.

The deployment of funds indicated above is based on management estimates, current circumstances of our business, current and valid quotations from suppliers, prevailing market conditions, which are subject to change, and other commercial and technical factors. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For further details of factors that may affect these estimates, please refer to section titled “**Risk Factors**” on beginning on page no. 30 of this Draft Prospectus.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flows from our operations and debt. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, the COVID – 19 pandemic, competitive environment and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with the applicable laws. Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the purposes set forth above, such additional funds for a particular activity may be financed by surplus funds including from internal accruals and any additional equity and/or debt arrangements from existing and future lenders, subject to compliance with applicable law. Subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for general

corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Fresh Issue in accordance with Regulation of the SEBI (ICDR).

In the event the Net Proceeds are not completely utilised for the objects stated above by the end of Financial Year March 31, 2024, such amounts will be utilised (in part or full) in subsequent periods, as determined by our Company, in accordance with applicable law. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. In the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to factors such as (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

For further details on the risks involved in our proposed fund utilization see risk factor “*The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution and are based on management estimates*”, please refer the chapter titled “*Risk Factors*” beginning on page 30 of this Draft Prospectus.

## **MEANS OF FINANCE**

Fund requirements for the Objects are proposed to be met from the Net Proceeds and our internal accruals. Accordingly, 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 or through existing identifiable internal accruals.

In case of shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilising our internal accruals and/ or availing further borrowings. Subject to applicable law, if the actual utilisation towards the Objects, including utilization towards Issue expense, is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with SEBI ICDR Regulations

## **DETAILS OF OBJECTS OF THE FRESH ISSUE**

### ***1. Meeting incremental working capital requirements***

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and financing from various banks. As on March 31, 2022, the amount outstanding on our Company’s fund based working capital facilities was ₹ 281.40, as per Restated Financial Statements and for the six months period ended as on September 30, 2022 the amount outstanding on our Company’s fund based working capital facilities was ₹ 307.59, as per Restated Financial Statements

Our Company requires additional working capital for meeting the future demand for its products, for funding future growth requirements of our Company and for other business purposes, and the Net Proceeds deployed towards funding our working capital requirements are proposed to be utilised for the aforesaid purposes. For further details of our chapter titled “*BUSINESS OVERVIEW*” on page 118 of this Draft Prospectus.

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

Set forth below are the current assets and working capital requirement of our Company as at September 30, 2022 and for the Financial years ended on March 31, 2022, March 31, 2021 and March 31, 2020 derived from the Restated Financial Statement and as certified by M/s H S K & Co LLP, Chartered Accountant by way of their certificate dated, January 20, 2023.

(₹. In lakhs)

Sr. No.	Particulars	For the six months period ended September 30, 2022	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
<b>I</b>	<b>Current assets</b>				
	Inventories	515.72	410.90	212.38	203.33
	Trade receivables	1,415.17	1,235.01	1,393.26	990.84
	Short Term Loans & Advances	-	-	-	-
	Other Current Assets	307.81	307.62	198.31	546.22
	<b>Total Current Assets (A)</b>	<b>2,238.70</b>	<b>1,953.52</b>	<b>1,803.95</b>	<b>1,740.39</b>
<b>II</b>	<b>Current liabilities</b>				
	Trade payables	574.52	585.96	560.85	441.09
	Other Current Liabilities	64.20	159.85	160.98	137.82
	Short term provisions	-	-	-	-
	Current Tax Liabilities (Net)	79.71	23.02	33.96	25.02
	<b>Total current liabilities (B)</b>	<b>718.43</b>	<b>768.83</b>	<b>721.83</b>	<b>483.25</b>
	<b>Net working capital (A – B)</b>	<b>1520.27</b>	<b>1184.70</b>	<b>1082.12</b>	<b>1257.14</b>
<b>III</b>	<b>Sources of funds</b>				
	Borrowings from banks	-	-	-	-
	Internal accruals / Equity	1520.27	1184.70	1082.12	1257.14
	<b>Total Means of Finance</b>	<b>1520.27</b>	<b>1184.70</b>	<b>1082.12</b>	<b>1257.14</b>

# Cash and cash equivalents have not been considered as part of the current assets in the computation of net working capital requirements

\*Certified by M/s H S K & Co LLP, Chartered Accountants, pursuant to their certificate dated January 20, 2023.

For further details, please refer the chapter titled “**Restated Financial Statement**” on page 186, respectively.

#### **Expected working capital requirements**

The estimates of the working capital requirements for the Financial Years ended March 31, 2023 and March 31, 2024 have been prepared based on the management estimates of current and future financial performance. The projection has been prepared using set of assumptions that include assumptions about future events and management’s action that are not necessarily expected to occur.

On the basis of our existing working capital requirements and estimated working capital requirements, our Board pursuant to its resolution dated [●], has approved the projected working capital requirements for the Financial year ended March 31, 2023 and Financial year ended March



31, 2024, together with the assumptions and justifications for holding levels, and the proposed funding of such working capital requirements, as set forth below:

(₹. In lakhs)

Sr. No	Particulars	FY 2023 (Estimated)	FY 2024 (Projected)
<b>I</b>	<b>Current assets</b>		
	Inventories	[●]	[●]
	Trade receivables	[●]	[●]
	Short Term Loans & Advances & Other Current Assets	[●]	[●]
	<b>Total Current Assets (A)</b>	[●]	[●]
<b>II</b>	<b>Current liabilities</b>	[●]	[●]
	Trade payables	[●]	[●]
	Other Current Liabilities	[●]	[●]
	<b>Total current liabilities (B)</b>	[●]	[●]
		[●]	[●]
<b>III</b>	<b>Net working capital requirements (A – B)</b>	[●]	[●]
	<b>Sources of funds</b>	[●]	[●]
	Borrowings from banks, financial institution and non-banking financial companies (including bill discounting)	[●]	[●]
	Long Term Borrowings	[●]	[●]
	Internal accruals / Equity	[●]	[●]
	Issue Proceeds	[●]	[●]
	<b>Total Means of Finance</b>	[●]	[●]

# Cash and cash equivalents have not been considered as part of the current assets in the computation of net working capital requirements

\*\*Certified by M/s [●], Chartered Accountants, pursuant to their certificate dated [●], 2023.

Our Company proposes to utilize ₹ [●] Lakhs from the Net Proceeds towards funding our working capital requirements. In addition to the Net Proceeds, our Company expects that the funding pattern for working capital requirements for FY 2023 and FY 2024 will comprise of working capital facilities and internal accruals.

The table below contains the details of the holding levels (in number of days or relevant matrix as applicable) considered and is derived from the Restated Financial Information for FY 2020, FY 2021 and for FY 2022, estimated for FY 2023 and projections for FY 2024 and the assumptions based on which the working plan projections has been made and approved by our Board of Directors.

Assumptions for our estimated working capital requirement:

(in days)

Particulars	Holding Levels (March 31, 2024)	Holding Levels (March 31, 2023)	For the six months period ended on September 30, 2022*	Holding Levels (March 31, 2022) *	Holding Levels (March 31, 2021) *	Holding Levels (March 31, 2020) *
Inventories	[●]	[●]	78	60	44	38

Particulars	Holding Levels (March 31, 2024)	Holding Levels (March 31, 2023)	For the six months period ended on September 30, 2022*	Holding Levels (March 31, 2022) *	Holding Levels (March 31, 2021) *	Holding Levels (March 31, 2020) *
Trade receivables	[●]	[●]	215	180	286	186
Other Financial & Current Assets	[●]	[●]	47	45	41	103
<b>Total</b>	[●]	[●]	<b>340</b>	<b>285</b>	<b>370</b>	<b>327</b>
<b>Current Liabilities (excluding borrowings and income tax liabilities)</b>						
Trade payables	[●]	[●]	175	85	115	83
Other Current Liabilities	[●]	[●]	20	23	33	26
<b>Total</b>	[●]	[●]	<b>194</b>	<b>109</b>	<b>148</b>	<b>109</b>
<b>Working Capital Cycle</b>	[●]	[●]	<b>148</b>	<b>176</b>	<b>222</b>	<b>218</b>

\*Certified by M/s H S K & Co LLP, Chartered Accountants, pursuant to their certificate dated January 20, 2023.

The table below sets forth the key assumptions for our working capital projections:

S. No.	Particulars	Assumptions (No. of days)
1.	Inventories	[●]
2.	Trade receivables	[●]
3.	Short Term Loans & Advances & Other Current Assets	[●]
4.	Trade payables	[●]
6.	Other Current liabilities	[●]

Certified by M/s H S K & Co LLP, Chartered Accountants, pursuant to their certificate dated January 20, 2023.

## 2. General Corporate Purposes

The Net Proceeds will first be utilized for the Object set out above, post which, our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] Lakhs towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise the Net Proceeds, includes but are not restricted to strategic initiatives, meeting funding requirements for expansion of our business operations and growth opportunities, strengthening marketing capabilities and brand building exercises, providing security deposits and cash collaterals and for meeting exigencies, repayment of debt, working capital requirements, expenses of our Company, as applicable and any other purpose, as may be approved by the Board or a duly constituted committee

thereof subject to compliance with Companies Act and other applicable laws. Our Company's management shall have flexibility in utilised surplus amounts, if any. In addition to the above, our Company may utilised the Net Proceeds towards other expenditure, as may be considered expedient, and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act and the SEBI Listing Regulations.

### 3. Issue Related Expenses

The Estimated Expenses are as follows:

Activity *	Estimated Expenses (₹ in Lakhs)	As a % of total estimated issue related expenses	As a % of the total issue size
Lead Manager Fees including Underwriting Commission	[●]	[●]	[●]
Brokerage, Selling, Commission and upload fees	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Legal and Other Advisory Services	[●]	[●]	[●]
Advertising and marketing Expenses	[●]	[●]	[●]
Regulators including Stock Exchange	[●]	[●]	[●]
Printing and Distribution of issue stationery	[●]	[●]	[●]
Others, if any (Market making, depositories, marketing fees etc.)	[●]	[●]	[●]
<b>Total estimated issue related expenses</b>	[●]	[●]	[●]

\* As on date of this Draft Prospectus, the fund deployed out of internal accruals as on January 20, 2023 is ₹ 2.86 Lakhs excluding all applicable taxes towards issue expenses vide certificate dated January 20, 2023 received from M/s H S K & Co LLP, Chartered Accountants and the same will be recouped out of issue expenses.

#### Notes:

- 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 Issue is made as per Phase I of UPI Circular)	₹ [●] 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)	₹ [●] per application on wherein shares are allotted
Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank	₹ [●] per application on wherein shares are allotted
Sponsor Bank shall be payable processing fees on UPI application processed by them	₹ [●] 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.

3. The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.
4. Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular No SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022

### **Interim use of Net Proceeds**

Pending utilization for the purposes described above, our Company undertake to deposits the Net Proceeds only in one or more with the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in 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 which are required to be repaid from the Net Proceeds

### **Appraisal Report**

None of the Objects of the Issue for which the Net Proceeds will be utilized has been appraised by any agency

### **Monitoring Utilization of Funds**

Since our issue size, does not exceeds one hundred crore rupees, we are not required to appoint monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 262(1) of SEBI ICDR Regulations

Our Audit Committee shall monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue in our balance sheet for the relevant financial years subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to Regulation 32(5) of the SEBI Listing Regulations, our Company shall disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilized for purposes other than those stated in this Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilized in full. The statement shall be certified in accordance with Regulations 32(5) of the SEBI Listing Regulations. Furthermore, in accordance with the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds of the Issue from the objects of the Issue as stated above and details of category wise variation in the actual utilization of the Net Proceeds of the Issue from the objects of the Issue as stated above. The information will also be published in newspapers simultaneously with the submission of such information to the Stock Exchanges, after placing the same before the Audit Committee. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized.

**Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act 2013 and the SEBI ICDR Regulations, our Company shall not vary the Objects of the Fresh Issue unless our Company is authorized to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoter or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act 2013 and provisions of the SEBI ICDR Regulations

**Other Confirmation**

There are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, members of the Promoter Group, Directors, Group Companies or Key Managerial Personnel. No part of the Net Proceeds will be utilized by our Company as consideration to our Promoter, members of the Promoter Group, Directors, Group Companies or Key Managerial Personnel. Our Company has not entered into and is not planning to enter into any arrangement/agreements with our Promoter, Directors, Key Managerial Personnel or our Group Companies in relation to the utilization of the Net Proceeds.

## BASIS FOR ISSUE PRICE

The Issue Price of ₹ [●] 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 per Equity Share. The Issue Price is [●] times the face value.

Investors should refer chapters titled “*Risk Factors*”, “*Business Overview*”, “*Restated Financial Statements*” and “*Management Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 30 ,118 ,186 and 241 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, are:

1. Focus on Quality & Innovation
2. Experienced Director
3. Locational Advantage
4. Diverse product offerings
5. Well established relationship with clients
6. Supported and promoted by our holding company, Yash Chemex Limited (YCL)

For further details, refer heading “*Our Competitive Strengths*” under chapter titled “*Business Overview*” beginning on page 118 of this Draft Prospectus.

### Quantitative Factors

Information presented below relating to the Company is based on the Restated Financial Statements for the Financial year ended March 31, 2022, for the Financial year ended March 31, 2021 and for the Financial year ended March 31, 2020 and for the six months period ended September 30, 2022. 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 / Period ended	Basic EPS and Diluted EPS	Weights
March 31, 2020	0.82	1
March 31, 2021	0.89	2
March 31, 2022	1.38	3
<b>Weighted Average</b>	<b>1.12</b>	
September 30, 2022 (not Annualized)	1.90	

#### Note.

- *Basic Earnings per share = Profit for the period / Weighted average number of equities shares outstanding during the period/year.*
- *Diluted Earnings per share = Profit for the period / Weighted average number of potential equities shares outstanding during the period/year.*
- *Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. {(EPS x Weight) for each year} / {Total of weights}*
- *Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the period/ year adjusted by the number of Equity Shares issued during the period/ year multiplied by the time weighing factor. The time weighing factor is the number of days for*

which the specific shares are outstanding as a proportion of total number of days during the period/year

- On December 22, 2022 our Company issued 8,261,120 Equity Shares to the existing shareholders as fully paid bonus shares. For calculating the Weighted Average Number of Equity Shares for EPS above, these bonus shares have been considered in all the periods reported.
  - The figures disclosed above are based on the Restated Financial Statement of our Company.
  - Basic Earnings per share = Profit for the period / Weighted average number of equities shares outstanding during the period/year.
  - Diluted Earnings per share = Profit for the period / Weighted average number of potential equities shares outstanding during the period/year.
  - Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e.  $\{(EPS \times Weight) \text{ for each year} \} / \{Total \text{ of weights} \}$
  - Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the period/year adjusted by the number of Equity Shares issued during the period/year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year
  - On December 22, 2022 our Company issued 8,261,120 Equity Shares to the existing shareholders as fully paid bonus shares. For calculating the Weighted Average Number of Equity Shares for EPS above, these bonus shares have been considered in all the periods reported.
  - The figures disclosed above are based on the Restated Financial Statement of our Company.
- 2. Price to Earnings (P/E) ratio in relation to Issue Price ₹ [●] per Equity Share of ₹ 10 each fully paid up**

Particulars	P/E ratio
P/E ratio based on Basic & Diluted EPS for FY 2021-22 (Pre-Bonus)	[●]
P/E ratio based on Basic & Diluted EPS for FY 2021-22 (Post Bonus)	[●]
<b>Industry Peer Group P/E ratio</b>	
Highest	30.93
Lowest	8.89
Average	20.15

Note- company with negative P/E is not considered for average

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

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

Year Ended	RONW (%)	Weight
March 31, 2020	8.21%	1
March 31, 2021	8.18%	2
March 31, 2022	11.30%	3
<b>Weighted Average</b>	<b>9.75%</b>	
September 30, 2022 (not Annualized)	13.46%	

- The figures disclosed above are based on the Restated Financial Statement of our Company. Return on Net worth has been calculated as per the following formula:
- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year end.
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e.  $(RoNW \times Weight) \text{ for each year} / Total \text{ of weights}$ .

- Net worth is aggregate value of the paid-up share capital of the Company and other equity, excluding revaluation reserves if any, as per Restated Financial Statement

#### 4. Net Asset Value (NAV)

Particulars	NAV per equity share (₹ Per Share)
Net Asset Value per Equity Share as of March 31, 2020	9.94
Net Asset Value per Equity Share as of March 31, 2021	10.82
Net Asset Value per Equity Share as of March 31, 2022	12.21
Net Asset Value per Equity Share after IPO	
Issue Price per equity share	

- Note: Net Asset Value has been calculated as per the following formula:
- $NAV = \frac{\text{Net worth excluding revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year/period}}$
- The figures disclosed above are based on the Restated Financial Statement of our Company
- On December 22, 2022, our Company issued 8,261,120 Equity Shares to the existing shareholders as fully paid bonus shares. For calculating the Outstanding Number of Equity Shares for NAV above, these bonus shares have been considered in all the periods reported.

#### 5. Comparison with industry peers

Companies	CMP as January 19, 2023	EPS (Basic in ₹)	EPS (Diluted in ₹)	PE Ratio	RONW (%)	NAV (Per Share)	Face Value
Yasons Chemex Care Limited	[●]	1.38	1.38	[●]	11.30	12.21	10
Peer Group							
Mahickra Chemicals Limited	85.00*	4.12	4.12	20.63	11.26%	36.63	10
Megmani Organics Ltd**	107.60	12.11	12.11	8.89	21.39%	56.63	1
Kiri Industries Limited (Standalone)***	413.50	(2.36)	(1.85)	Basic (175.21)  Diluted (223.51)	(1.49%)	120.58	10
Ushanti Colour Chem Limited	73.00	2.02	2.02	30.93	5.13%	39.41	10

Note: Since there are no listed peers available with the same line of business, the nearest listed peers matching with the business models of our Company has been considered and disclosed for the Investors to take better investment decisions.

Source: All the financial information for listed industry peers mentioned above is on a standalone basis (unless otherwise available only on a consolidated basis) and is sourced from the annual reports/ financial results as available of the respective company for the year ended March 31, 2022 submitted to stock exchanges or on company's website as available.



\* *The P/E Ratio has been computed based on the closing market price of equity shares on NSE on January 19, 2023.*

\*\* *The company is suspended hence no trading take place.*

\*\*\* *Weighted average number of equity shares for calculating Basic EPS is 40,677,778 & Weighted average number of equity shares for Diluted EPS 51,834,211. During the current year, the company had converted 40 Foreign Currency Convertible Bonds into 1,82,13,565 Equity Shares of ₹ 10 each at issue price of ₹ 12.03 per share to Bondholders.*

- Basic EPS refers to the Basic EPS sourced from the annual report/ financial results of the respective company for the year ended March 31, 2022.
- Diluted EPS refers to the Diluted EPS sourced from the annual report/ financial results of the respective company for the year ended March 31, 2022
- P/E Ratio has been computed based on the closing market price of equity shares on NSE on January 19, 2023.
- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year/period end. March 31, 2022
- Net worth has been computed as sum of share capital, reserves and surplus (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company
- Net Asset Value is computed as the closing net worth divided by the equity shares outstanding as at March 31, 2022

#### **6. The Issue price is [ ● ] times of the face value of the Equity Shares**

The Issue Price of ₹ [ ● ] per equity share has been determined by the Company in consultation with the Lead Manager on the basis of an assessment of market demand for the equity shares through the fixed price issue process and on the basis of qualitative and quantitative factors.

Prospective investors should read the above-mentioned information along with “**Risk Factors**”, “**Business Overview**”, “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” and “**Restated Financial Statement**” beginning on pages 30,118 ,241 and 186, respectively of this Draft Prospectus, to have a more informed view. The trading price of the equity shares could decline due to the factors mentioned in the chapter titled “**Risk Factors**” and you may lose all or part of your investments.

## STATEMENT OF TAX BENEFITS

To,  
**The Board of Directors**  
**YASONS CHEMEX CARE LIMITED**  
4th floor, 412 Sigma Icon-1, 132ft Ring Road,  
Opp. Medilink Hospital, Satellite, Ahmedabad,  
Gujarat-380015 India.

Dear Sir,

**Sub: Statement of possible special tax benefits (“the Statement”) available to YASONS CHEMEX CARE LIMITED (“COMPANY”) and its Shareholders prepared in accordance with the requirements of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended (“the Regulations”).**

We hereby report that the enclosed Annexure I and II prepared by the Company, initialed by us and the Company for identification purposes, states the possible special tax benefits available to the Company and its shareholders, under direct and indirect taxes (together “**the Tax Laws**”), presently in force in India as on the signing date, which is defined in Annexure I. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future, and accordingly, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure I & II cover the possible special tax benefits available to the Company and its shareholders but does not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the management of the Company and is not exhaustive. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional taxes advice. In view of the individual nature of the tax consequences and the changing Tax Laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public issue of equity shares of the Company comprising a fresh issue of the Equity Shares by the Company.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (the “**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

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

- i) the Company and its shareholders will continue to obtain these possible special tax benefits in future; or
- ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/ would be met with.

The contents of enclosed Annexures are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein.

Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not issue responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby consent to include this Statement in the Draft Prospectus, the Prospectus, and any other material used in connection with the proposed issue. The Statement is not to be used, referred to, or distributed for any other purpose without our prior written consent.

Yours faithfully,

For and on behalf of

**H S K & CO LLP.**

**(Chartered Accountants)**

**FRN: 117014W/W100685**

**Sd/-**

**Sudhir S. Shah**

**(Partner)**

**M. No. - 115947**

**UDIN : - 23115947BGWPYZ9767**

**Place: - Ahmedabad**

**Date: January 01, 2023**

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

**Direct Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 as amended by Finance Act 2022 i.e., applicable for Financial Year 2022-23 relevant to the Assessment Year 2023-24, Presently in force in India

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

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it has applied section 115BAA for the assessment year 2022-23.

**II. Special tax benefits available to Shareholders**

There are no special tax benefits available to the shareholders for investing in the shares of the Company.

**Notes:**

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above Statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above Statement of possible tax benefits is as per the current Income Tax Act, 1961 read with relevant rules, circulars and notifications relevant for the Assessment Year 2022-23 and Assessment Year 2023-24.
4. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant double tax avoidance agreements, if any, between India and the country in which such nonresident is a tax resident of.
6. 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 changes from time to time. We do not assume responsibility to update the views consequent to such changes.

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

**Indirect Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications-2020

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

There are no special tax benefits available to the Company under GST law.

**II. Special tax benefits available to Shareholders**

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

**Notes:**

1. The above Statement of Indirect Tax benefits sets out the special tax benefits available to the Company and its shareholders under the Indirect Tax laws mentioned above.
2. The above Statement covers only above-mentioned tax laws benefits and does not cover any Income Tax law benefits or benefit under any other law.
3. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time.

We do not assume responsibility to update the views consequent to such changes.

## SECTION V: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*Industry publications are prepared based on information as at specific dates and may no longer be current or reflect current trends. The information in this chapter is also derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the Lead Manager, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation.*

*Accordingly, investment decisions should not be based on such information. For additional details, including the disclaimers associated with the Industry Report, see “**Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data**” beginning on page 17 of this Draft Prospectus.*

### GLOBAL ECONOMIC OVERVIEW

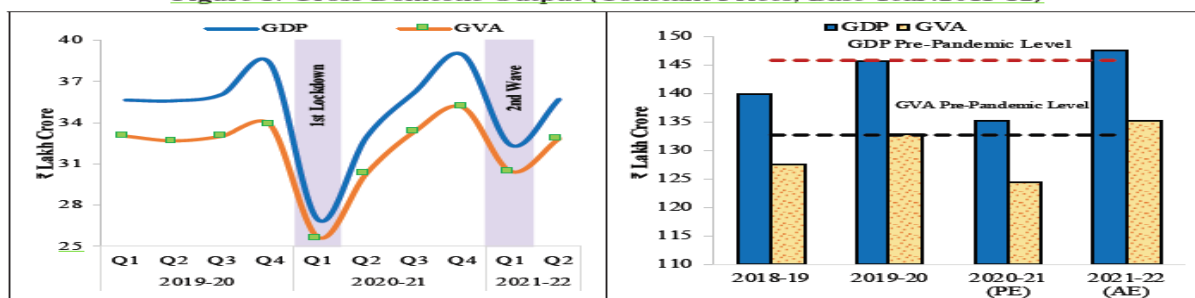
The last two years have been difficult for the world economy on account of the COVID-19 pandemic. Repeated waves of infection, supply-chain disruptions and, more recently, inflation have created particularly challenging times for policy-making. Faced with these challenges, the Government of India’s immediate response was a bouquet of safety-nets to cushion the impact on vulnerable sections of society and the business sector. It next pushed through a significant increase in capital expenditure on infrastructure to build back medium-term demand as well as aggressively implemented supply-side measures to prepare the economy for a sustained long-term expansion. This chapter explains how this flexible and multi-layered approach is partly based on an “Agile” framework that uses feedback-loops, and the monitoring of real-time data.

Advance estimates suggest that the Indian economy is expected to witness real GDP expansion of 9.2 per cent in 2021-22 after contracting in 2020-21. This implies that overall economic activity has recovered past the pre-pandemic levels. Almost all indicators show that the economic impact of the “second wave” in Q1 was much smaller than that experienced during the full lockdown phase in 2020-21 even though the health impact was more severe.

Agriculture and allied sectors have been the least impacted by the pandemic and the sector is expected to grow by 3.9 per cent in 2021-22 after growing 3.6 per cent in the previous year. Advance estimates suggest that the GVA of Industry (including mining and construction) will rise by 11.8 per cent in 2021-22 after contracting by 7 per cent in 2020- 21. The Services sector has been the hardest hit by the pandemic, especially segments that involve human contact. This sector is estimated to grow by 8.2 per cent this financial year following last year’s 8.4 per cent contraction.

Total Consumption is estimated to have grown by 7.0 per cent in 2021-22 with significant contributions from government spending. Similarly, Gross Fixed Capital Formation exceeded pre-pandemic levels on the back of ramped up public expenditure on infrastructure. Exports of both goods and services have been exceptionally strong so far in 2021-22, but imports also recovered strongly with recovery in domestic demand as well as higher international commodity prices.

Figure 1: Gross Domestic Output (Constant Prices, Base Year:2011-12)



Source: National Accounts Statistics (NSO), MoSPI

## INDIAN ECONOMIC OVERVIEW

The Indian economy is estimated to grow by 9.2 per cent in real terms in 2021-22 (as per the First Advance Estimates), after a contraction of 7.3 per cent in 2020-21. Growth in 2022-23 will be supported by widespread vaccine coverage, gains from supply-side reforms and easing of regulations, robust export growth, and availability of fiscal space to ramp up capital spending. The year ahead is also well poised for a pick-up in private sector investment with the financial system in a good position to provide support to the revival of the economy. Thus, India's GDP is projected to grow in real terms by 8.0-8.5 per cent in 2022-23. This projection is based on the assumption that there will be no further debilitating pandemic related economic disruption, monsoon will be normal, withdrawal of global liquidity by major central banks will be broadly orderly, oil prices will be in the range of US\$70-\$75/bbl, and global supply chain disruptions will steadily ease over the course of the year.

The above projection is comparable with the World Bank's and Asian Development Bank's latest forecasts of real GDP growth of 8.7 per cent and 7.5 per cent respectively for 2022-23. As per the IMF's latest World Economic Outlook (WEO) growth projections released on 25<sup>th</sup> January, 2022, India's real GDP is projected to grow at 9 per cent in both 2021-22 and 2022-23 and at 7.1 per cent in 2023-24. This projects India as the fastest growing major economy in the world in all these three years (Table 8).

Table 8: Overview of the World Economic Outlook Projections

Country/Country groups	Year over Year (Percent change, unless noted otherwise)			
	Estimate		Projections	
	2020	2021	2022	2023
<b>World Output</b>	-3.1	5.9	4.4	3.8
<b>Advanced Economies</b>	-4.5	5.0	3.9	2.6
United States	-3.4	5.6	4.0	2.6
Euro Area	-6.4	5.2	3.9	2.5
Germany	-4.6	2.7	3.8	2.5
France	-8.0	6.7	3.5	1.8
Italy	-8.9	6.2	3.8	2.2
Spain	-10.8	4.9	5.8	3.8
Japan	-4.5	1.6	3.3	1.8
United Kingdom	-9.4	7.2	4.7	2.3
Canada	-5.2	4.7	4.1	2.8
Other Advanced Economies*	-1.9	4.7	3.6	2.9
<b>Emerging Market and Developing Economies</b>	-2.0	6.5	4.8	4.7
Emerging and Developing Asia	-0.9	7.2	5.9	5.8
China	2.3	8.1	4.8	5.2
<b>India**</b>	<b>-7.3</b>	<b>9.0</b>	<b>9.0</b>	<b>7.1</b>
ASEAN***	-3.4	3.1	5.6	6.0
Emerging and Developing Europe	-1.8	6.5	3.5	2.9
Russia	-2.7	4.5	2.8	2.1
Latin America and the Caribbean	-6.9	6.8	2.4	2.6
Brazil	-3.9	4.7	0.3	1.6
Mexico	-8.2	5.3	2.8	2.7
Middle East and Central Asia	-2.8	4.2	4.3	3.6
Saudi Arabia	-4.1	2.9	4.8	2.8
Sub-Saharan Africa	-1.7	4.0	3.7	4.0
Nigeria	-1.8	3.0	2.7	2.7
South Africa	-6.4	4.6	1.9	1.4

Source: IMF WEO, January 2022 Update

\* Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

\*\* For India, data and forecasts are presented on a fiscal year basis, with FY 2021/2022 starting in April 2021. For the January 2022 WEO Update, India's growth projections are 8.7 per cent in 2022 and 6.6 per cent in 2023 based on calendar year. The impact of the Omicron variant is captured in the column for 2021 in the table.

\*\*\* Indonesia, Malaysia, Philippines, Thailand, Vietnam.

(Sources: Economic Survey 2021-22)

## INDIAN CHEMICAL INDUSTRY OVERVIEW

### INTRODUCTION

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

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

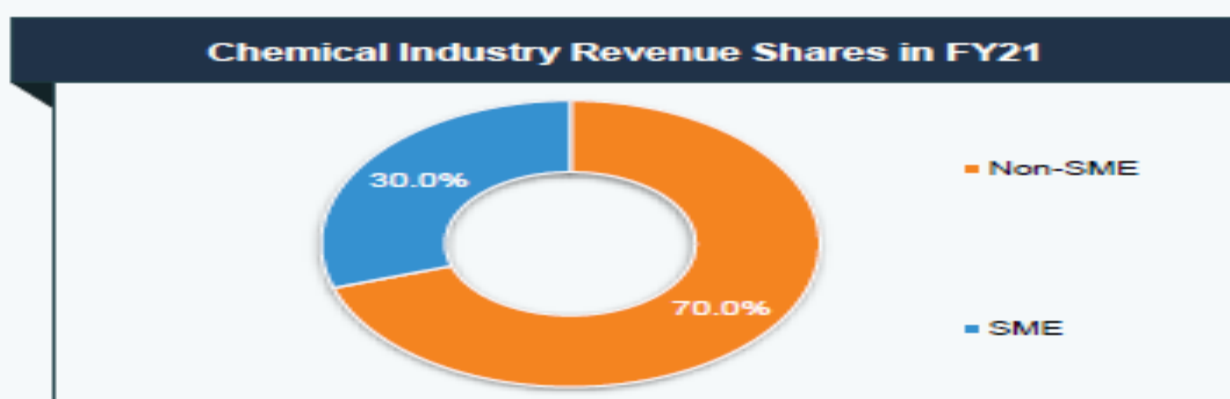
The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realization due to high prices of chemicals.

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

### MARKETS SIZE

- Chemicals industry in India covers >80,000 commercial products.
- India has one of the largest global chemical markets and is ranked sixth in the world and fourth in Asia in terms of global sale of chemicals. India accounts for 2.5% of the world's global chemical sales.
- The industry is expected to reach US\$ 304 billion by 2025 at a CAGR of 9.3%, driven by rising demand in the end-user segments for specialty chemicals and petrochemicals segment.
- Specialty chemicals constitute for 22% of the total chemicals and petrochemicals market in India. India is expected to double its specialty chemicals market share in the next five years.
- Specialty chemical companies are seeking at import substitutions while exploring export opportunities to accelerate their business.
- The Indian dyes and pigments market is projected to reach US\$ 63 billion by 2022, accounting for about 16% of the global dye production.
- The petrochemical demand is expected to record a 7.5% CAGR between 2019 and 2023, with the demand for polymers growing at 8%.
- India is the third largest polymer consumer in the world and is expected to consume 60 million tonnes by 2040.
- Chemicals and Chemical Products gross bank credit grew at 15.6% in May 2022.
- The agrochemicals market in India is expected to register 8.6% CAGR to reach US\$ 7.4 billion between 2021 and 2026.
- Specialty chemicals account for 20% of the global chemicals industry's US\$ 4 trillion, with India's market expected to increase at a CAGR of 12% to US\$ 64 billion by 2025. This gain would be driven by a healthy demand growth (CAGR of 10-20%) in the export/end-user industries.





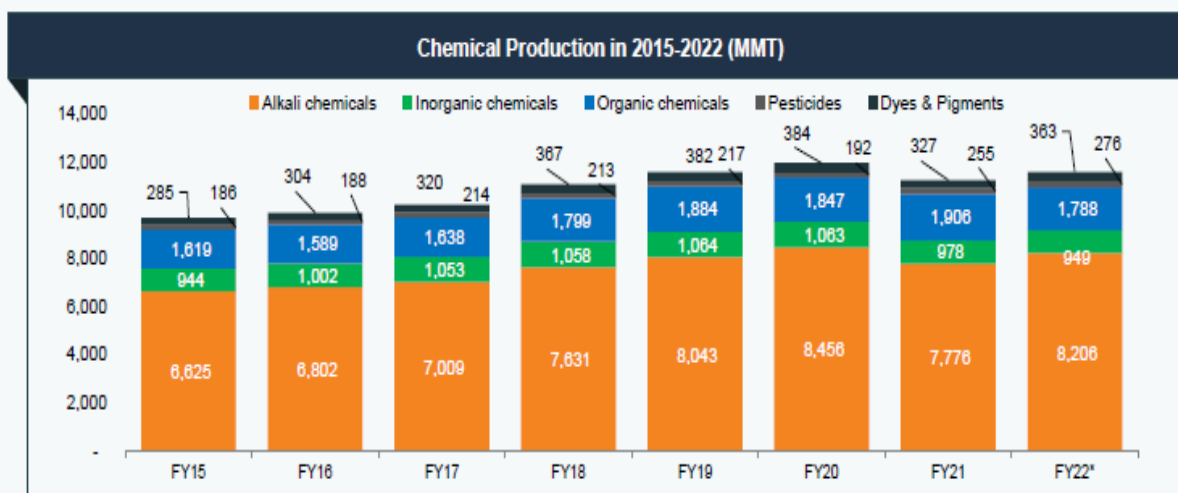
## CHEMICAL'S MARKET IS SPLIT INTO FIVE KEY SEGMENTS

### Chemical's Market

<p><b>Bulk chemicals</b></p>	<p><b>Petrochemicals &amp; polymers</b></p>	<p><b>Fertilisers</b></p>	<p><b>Specialty chemicals</b></p>	<p><b>Agrochemicals</b></p>
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- These are groups of chemicals, which are manufactured on a large scale and further divided into organic, inorganic and alkali chemicals
- These chemicals are derivative of several chemical compounds such as hydrocarbons, which are derived from crude oil or natural gas
- These provide nutrients for plant growth; are divided into organic/inorganic and natural/synthetic. Further, these can be broadly classified into phosphate, potassium and nitrogenous
- These are derivatives of basic chemicals that are manufactured for specific end-use solutions. The characteristics of these chemicals include high-value, high R&D and low volume
- These chemicals are used to protect crops against insects and pests and include fungicides, herbicides, and insecticides, among others. These chemicals can be applied in water irrigation, seeds, soils and crops

## CHEMICAL TRENDS IN INDIA



- In FY22\*, Alkali chemicals stood at 70.84% of the total chemical production.
- Government initiatives such as promotion of small and mid-sized 'Sodium Bicarbonate' and 'Ammonia' processing industries in proximity to soda ash manufacturing units is likely to boost demand for soda ash in the country.

## INVESTMENTS AND RECENT DEVELOPMENTS

- A few recent developments/investments in the Indian chemical sector are as follows:
- From April 2021-March 2022, exports of organic & inorganic chemicals increased 38.67% YoY to reach US\$ 24,313.88 million.
- Chemical production reached 920,628 MT in June 2022, while petrochemical production reached 1,711,281 MT. In June 2022, production levels of various chemicals were as follows: Soda Ash: 274,597 MT, Caustic Soda: 281,778 MT, Liquid Chlorine: 202,467 MT, Formaldehyde: 24,998 MT and Pesticides and Insecticides: 18,327 MT.
- In July 2022, NTPC Renewable Energy Limited (NTPC REL) and Gujarat Alkalies and Chemicals Limited (GACL) signed an MoU to participate in the establishment of India's first commercial-scale Green Ammonia and Green Methanol plants.
- In November 2021, Indian Oil Corporation (IOCL) announced plans to invest ₹ 3,681 crore (US\$ 495.22 million) to set up India's first mega-scale maleic anhydride unit for manufacturing high-value specialty chemicals at its Panipat Refinery in Haryana.
- In November 2021, Praj Industries Limited and Indian Oil Corporation inked a memorandum of understanding (MoU) to explore opportunities in the production of alcohol-to-jet (ATJ) fuels, 1G & 2G ethanol, compressed bio-gas (CBG) and related opportunities in the biofuels industry.
- In November 2021, Coromandel International announced plans to set up 1,650-metric-tonnes-per-day sulphuric acid plant at its fertiliser complex in Visakhapatnam with an investment of Rs. 400 crore (US\$ 53.69 million).
- On September 30, 2021, Prime Minister, Mr. Narendra Modi, inaugurated the CIPET: Institute of Petrochemicals Technology, Jaipur. In October 2021, Nayara Energy announced that it expects 15-20 new integrated petrochemical plants to become operational within the next decade in the country, to meet the rising demand for raw materials used in the plastics and clothing industries.

- In October 2021, Rosneft, Russia, launched a large-scale petrochemical production development programme in India with investments worth ~US\$ 750 million at the current implemented stage.
- In September 2021, Bharat Petroleum Corporation (BPCL), announced plans to invest US\$ 4.05 billion, to improve petrochemical capacity and refining efficiencies over the next five years.
- The government is planning to hold roadshows in eight overseas markets for the proposed investors' summit planned in January 2022, with focus on the petrochemicals sector, and is eager to attract investors to its newly launched Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) near the upcoming crude oil refinery in Pachpadra village (in Barmer district, Rajasthan).

## GOVERNMENT INITIATIVES

The government has started various initiatives such as mandating BIS-like certification for imported chemicals to prevent dumping of cheap and substandard chemicals into the country.

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

- Under the Union Budget 2022-23 the government allocated Rs. 209 crores (US\$ 27.43 million) to the Department of Chemicals and Petrochemicals.
- PLI schemes have been introduced to promote Bulk Drug Parks, with a budget of Rs. 1,629 crores (US\$ 213.81 million).
- The Government of India is considering launching a production linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.
- A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
- In October 2020, the government urged players in the agrochemicals industry to come out with new molecules of global standards for the farmers' benefit, while CropLife India, the industry body, pitched for stable policies and regulatory regimes to boost growth in the sector.
- 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals. FDI inflows in the chemicals sector (other than fertilisers) reached US\$ 20.41 billion between April 2000-June 2022.
- The government has proposed several incentives for setting up a sourcing or manufacturing platform within an Indian SEZ:
  - Effective April 1, 2020, 100% Income Tax exemption on export income for SEZ units for the first five years, 50% for the next five years thereafter and 50% of the ploughed back export profit for next five years.
  - Single window clearance for central and state-level approvals.
  - Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units.
- In December 2020, the PCPIR policy is being completely redesigned. Under the new PCPIR Policy 2020-35, a combined investment of Rs. 10 lakh crore (US\$ 142 billion) is targeted by 2025, Rs. 15 lakh crore (US\$ 213 billion) by 2030 and Rs. 20 lakh crore (US\$ 284 billion) by 2035 in all PCPIRs across

the country. The four PCPIRs are expected to generate employment for ~33.83 lakh people. ~3.50 lakh persons have been employed in direct and indirect activities related to PCPIRs by the end of 2020.

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

## **FAST MOVING CONSUMER GOODS(FMCG) INDUSTRY**

### **INTRODUCTION**

Fast-moving consumer goods (FMCG) sector is India's fourth-largest sector and has been expanding at a healthy rate over the years as a result of rising disposable income, a rising youth population, and rising brand awareness among consumers. With household and personal care accounting for 50% of FMCG sales in India, the industry is an important contributor to India's GDP.

India is a country that no FMCG player can afford to ignore due to its middle class population which is larger than the total population of USA. The Indian FMCG market continues to rise as more people start to move up the economic ladder and the benefits of economic progress become accessible to the general public. More crucially, with a median age of just 27, India's population is becoming more consumerist due to rising ambitions. This has been further aided by government initiatives to increase financial inclusion and establish social safety nets.

Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector. The urban segment (accounts for a revenue share of around 55%) is the largest contributor to the overall revenue generated by the FMCG sector in India. However, in the last few years, the FMCG market has grown at a faster pace in rural India compared to urban India. Semi-urban and rural segments are growing at a rapid pace and FMCG products account for 50% of the total rural spending.

### **MARKET SIZE**

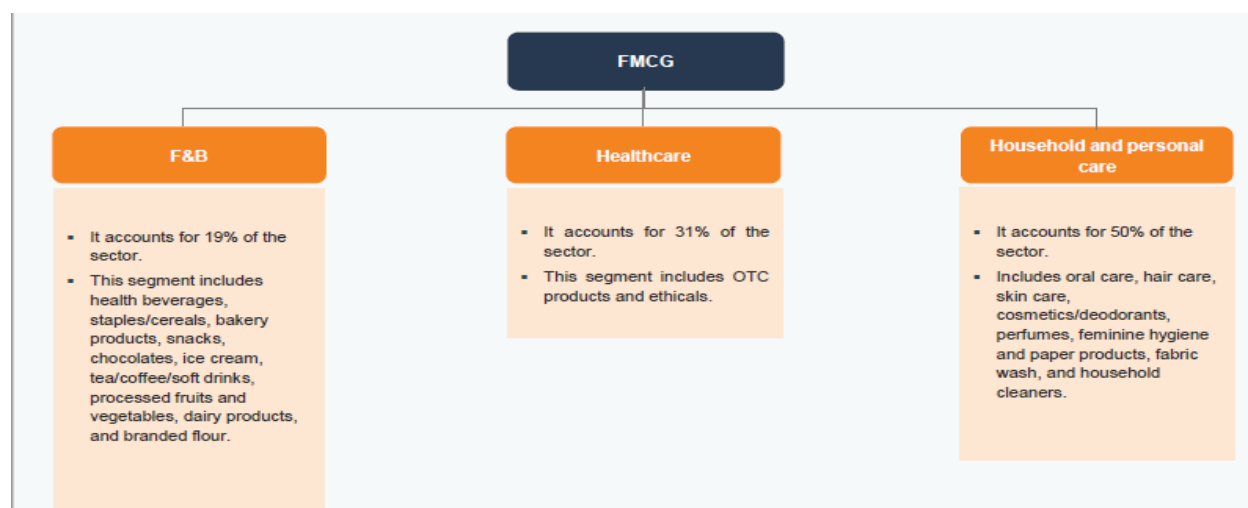
The retail market in India is estimated to reach US\$ 1.1 trillion by 2020 from US\$ 840 billion in 2017, with modern trade expected to grow at 20-25% per annum, which is likely to boost revenue of FMCG companies. The FMCG market in India is expected to increase at a CAGR of 14.9% to reach US\$ 220 billion by 2025, from US\$ 110 billion in 2020. The Indian FMCG industry grew by 16% in CY21 a 9- year high, despite nationwide lockdowns, supported by consumption-led growth and value expansion from higher product prices, particularly for staples. The Indian processed food market is projected to expand to US\$ 470 billion by 2025, up from US\$ 263 billion in 2019-20.

FMCG giants such as Johnson & Johnson, Himalaya, Hindustan Unilever, ITC, Lakmé and other companies (that have dominated the Indian market for decades) are now competing with D2C-focused start-ups such as Mamaearth, The Moms Co., Bey Bee, Azah, Nua and Pee Safe. Market giants such as Revlon and Lotus took ~20 years to reach the Rs. 100 crore (US\$ 13.4 million) revenue mark, while new-age D2C brands such as Mamaearth and Sugar took four and eight years, respectively, to achieve that milestone.

Advertising volumes on television recorded healthy growth in the July-September quarter, registering 461 million seconds of advertising, which is the highest in 2021. FMCG continued to maintain its leadership position with 29% growth in ad volumes against the same period in 2019. Even the e-commerce sector showed a healthy 26% jump over 2020.



### Three main segments of FMCG



### INVESTMENTS

- The Government has allowed 100% Foreign Direct Investment (FDI) in food processing and single-brand retail and 51% in multi-brand retail.
- This would bolster employment, supply chain and high visibility for FMCG brands across organised retail markets thereby bolstering consumer spending and encouraging more product launches.
- The sector witnessed healthy FDI inflows of US\$ 20.11 billion from April 2000-March 202

#### *Some of the recent developments in the FMCG sector are as follows:*

- In July 2022, Chief Minister of Uttar Pradesh Mr. Yogi Adityanath, inaugurated HUL's ultra-modern factory in Sumerpur with a total investment of Rs. 700 crore (US\$ 88.07 million) planned by 2025.
- In July 2022, Emami acquired 30% stake in Cannis Lupus to enter into the petcare segment in India.
- In July 2022, Godrej Consumer Products Limited (GCPL), unveiled Godrej Magic Bodywash, India's first ready-to mix bodywash at just Rs. 45 (US\$ 0.57).
- In June 2022, PepsiCo India announced its expansion plans for its largest greenfield foods manufacturing plant that produces the popular Lay's potato chips in Kosi Kalan, Mathura in Uttar Pradesh with an investment of Rs. 186 crore (US\$ 23.84 million).

- In April 2022, Dabur India announced plans to induct a fleet of 100 Electric Vehicles in its supply chain for last-mile product distribution.
- In March 2022, Emami acquired Dermicool from Reckitt for Rs. 432 crore (US\$ 55.37 million)
- In February 2022, Dabur India, formed an exclusive partnership with energy provider Indian Oil, which will give Dabur's products direct access to around 140 million Indane LPG consumer households across India.
- In February 2022, Dabur India achieved its goal to collect, process, and recycle approximately 22,000MT of post-consumer plastic three months early.
- In February 2022, Marico Ltd has announced aims to achieve net-zero emissions by 2040 in its global operations.
- In November 2021, Tata Consumer Products (TCPL) signed definitive agreements to acquire 100% equity shares of Tata SmartFoodz Limited (TSFL) from Tata Industries Limited for a cash consideration of Rs. 395 crore (US\$ 53.13 million). This move was in line with TCPL's strategic intent to expand into the value-added categories.
- In November 2021, Unilever Plc agreed to sell its global tea business to CVC Capital Partners for EUR 4.5 billion (US\$ 5.1 billion). The business being sold—Ekaterra—hosts a portfolio of 34 tea brands including Lipton, PG Tips, Pukka Herbs and TAZO.
- In November 2021, McDonald's India partnered with an FMCG company ITC to add a differentiated fruit beverage, B Natural, to its Happy Meal, which will be available across all McDonald's restaurants in South and West India, primarily catering to children aged 3–12 years.
- In October 2021, Procter & Gamble announced an investment of Rs. 500 crore (US\$ 66.8 million) in rural India.
- In September 2021, Vahdam India, an Indian tea brand, raised Rs. 174 crore (US\$ 24 million) as part of its Series D round led by IIFL AMC's Private Equity Fund.
- In September 2021, RP-Sanjiv Goenka Group entered the personal-care segment by launching skin and haircare products, aiming at a revenue of Rs. 400-500 crore (US\$ 53.84-67.30 million) in the next 4-5 years.
- In September 2021, Adani Wilmar announced the opening of physical stores under the name 'Fortune Mart' that will exclusively sell Fortune and other Adani Wilmar brand products.
- The rural market registered an increase of 14.6% in the same quarter and metro markets recorded positive growth after two quarters. Final consumption expenditure increased at a CAGR of 5.2% during 2015-20.
- According to Fitch Solutions, real household spending is projected to increase 9.1% YoY in 2021, after contracting >9.3% in 2020 due to economic impact of the pandemic.
- The FMCG sector's revenue growth will double from 5-6% in FY21 to 10-12% in FY22, according to CRISIL Ratings.

## **GOVERNMENT INITIATIVES**

Some of the major initiatives taken by the Government to promote the FMCG sector in India are as follows:

- As per the Union Budget 2022-23:
  - Rs. 1,725 crore (US\$ 222.19 million) has been allocated to the Department of Consumer Affairs

- Rs. 215,960 crore (US\$ 27.82 billion) has been allocated to the Department of Food and Public Distribution.
- In FY 2021-22, the government approved Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) with an outlay of Rs. 10,900 crore (US\$ 1.4 billion) to help Indian brands of food products in the international markets.
- The government's production-linked incentive (PLI) scheme gives companies a major opportunity to boost exports with an outlay of US\$ 1.42 billion.
- In November 2021, Flipkart signed an MoU with the Ministry of Rural Development of the Government of India (MoRD) for their ambitious Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) programme to empower local businesses and self-help groups (SHGs) by bringing them into the e-commerce fold.
- Companies are counting on recent budget announcements like direct transfer of 2.37 lakh crore (US\$ 30.93 billion) in minimum support payment (MSP) to wheat and paddy farmers and the integration of 150,000 post offices into the core banking system to expand their reach in rural India.
- The Government of India has approved 100% FDI in the cash and carry segment and in single-brand retail along with 51% FDI in multi-brand retail.
- The Government has drafted a new Consumer Protection Bill with special emphasis on setting up an extensive mechanism to ensure simple, speedy, accessible, affordable and timely delivery of justice to consumers.
- The Goods and Services Tax (GST) is beneficial for the FMCG industry as many of the FMCG products such as soap, toothpaste and hair oil now come under the 18% tax bracket against the previous rate of 23-24%. Also, GST on food products and hygiene products has been reduced to 0-5% and 12-18% respectively.
- GST is expected to transform logistics in the FMCG sector into a modern and efficient model as all major corporations are remodelling their operations into larger logistics and warehousing.

## **ROAD AHEAD**

Rural consumption has increased, led by a combination of increasing income and higher aspiration levels. There is an increased demand for branded products in rural India. On the other hand, with the share of unorganised market in the FMCG sector falling, the organized sector growth is expected to rise with increased level of brand consciousness, augmented by the growth in modern retail. Another major factor propelling the demand for food services in India is the growing youth population, primarily in urban regions. India has a large base of young consumers who form majority of the workforce, and due to time constraints, barely get time for cooking.

Online portals are expected to play a key role for companies trying to enter the hinterlands. Internet has contributed in a big way, facilitating a cheaper and more convenient mode to increase a company's reach. The number of internet users in India is likely to reach 1 billion by 2025. It is estimated that 40% of all FMCG consumption in India will be made online by 2020. E-commerce share of total FMCG sales is expected to increase by 11% by 2030. It is estimated that India will gain US\$ 15 billion a year by implementing GST. GST and demonetisation are expected to drive demand, both in the rural and urban areas, and economic growth in a structured manner in the long term and improved performance of companies within the sector.

(Sources: <https://www.ibef.org/industry/fmcg> )

## BUSINESS OVERVIEW

Unless otherwise indicated or the context otherwise requires, the financial information for the financial year

Unless otherwise indicated or the context otherwise requires, the financial information for the Financial Year 2020, 2021 and 2022 and the six-month period ended September 30, 2022, included herein is derived from the Restated Financial Statements, included in this Draft Prospectus. Unless otherwise indicated or the context otherwise requires, in this section, references to “we” or “us” mean Yasons Chemex Care Limited and to “Company” or “our Company” mean Yasons Chemex Care Limited. For further information relating to various defined terms used in our business operations, see “Definitions and Abbreviations” on page 2.

We have included various operational and financial performance indicators in this Draft Prospectus, some of which may not be derived from our Restated Financial Statements or otherwise subjected to an examination, audit or review by our Statutory Auditors. Our financial year ends on March 31 of every year, so all references to a particular financial year are to the twelve-month period ended March 31 of that year. 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 “Risk Factors”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and “Restated Financial Statements” on pages 30, 108, 241 and 186 respectively.

### BUSINESS OVERVIEW

Our Company is in the business of manufacturing of a) dyes and pigment paste; and b) FMCG products.

Within dyes, we believe that we manufacture wide range of dyes such as reactive dyes, direct dyes, basic dyes, vat dyes and food colorants. The dyes manufactured by our Company can be broadly classified under the following type (a) natural dyes, (b) synthetic dyes, and (c) synthetic organic dyes. Our Company manufactures multiple shades of dyes. Our Company also manufactures a wide range of pigment paste from various chemicals.

Within FMCG we manufacture or package products such as hair oil, perfumes & deodorant, handmade soap, sanitizer, etc., under our own brand name “PLXO”.

We also trade in both dyes, pigment and pigments paste, which is primarily for meeting customer requirements. Some of our customers require a range of dyes or pigment paste besides the products we manufacture and sell. In these cases, we purchase the products, which are not manufactured by us and cater to the entire requirements of our customers.

With our wide range of products, we offer color solutions directly or indirectly (trader) for various industries like textile, paper, paints, inks, soap, plastic, wood, detergents and FMCG.

Our Company has two manufacturing facilities situated in the state of Gujarat. Our Company manufactures dyes and pigment paste at our manufacturing facility situated at A-1/329, Phase-II, G.I.D.C, Vatva, Ahmedabad – 382445 Gujarat which is spread approx. 2000 sq. ft area with an installed capacity of 650 MTPA per annum (“**Unit I**”). Further, our Company manufactures FMCG products at our manufacturing facility situated at 22, Shreeji Krupa Estate, Tajpur Road, Changodar, Sanand District, Ahmedabad, 382213 Gujarat which is spread approx. 1500 sq. ft area with an installed capacity of 350 LTR per annum (“**Unit II**”). Unit I and Unit II collectively referred to as “**Manufacturing Facilities**”. Our Manufacturing Facilities are equipped with requisite machineries to keep a constant check on quality.

Our Company is also a partner in Rishit Polysurf LLP with 99% of share in profits. Rishit Polysurf LLP was takeover on October 26, 2022 by our Company and is engaged in the business of speciality chemical in the form of ethoxylates and its derivative and propoxylates and its derivative at Dholka Unit-Plot No: 504,512, 513,514, GIDC, Dholka, Ahmedabad, Gujarat-382225 and is spread over 4200 sq. meters in area.



Our Company has obtained ISO 9001:2015 certification for a Unit II certifying our quality management system for the product manufacturers by our Company. Further, our Company has received following permission;

- for manufacturing of sanitizer at Unit II from the Government of Gujarat (Department of Foods and Drug) license no AP/Yasons/2020/34587/D dated April 13, 2020, license no. AP/YASONS/2020/34485/D dated April 9, 2020 and AP/Yasons/JC-3/2020/29838/D (for COVID-19 purpose).
- for manufacturing hair oil/cream/shampoo/ lotion at Unit II from the Government of Gujarat license under our brand name PLXO Rosy'Z Rose Water Toner and PLXO Kesha'Z Hairresurrect.
- Further our Company receive permission license no. GC/1363 dated February 01, 2018 for manufacturing of cosmetic manufacturing section aerosol and alcoholic fragrance and also received DS-5 and SA-1 license for storing alcohol for the manufacturing said cosmetics at Unit II.

We are a subsidiary of Yash Chemex Limited (“YCL”), a company which was listed on BSE SME Platform on June 20, 2016 and was migrated to BSE Mainboard Platform vide BSE Notice No. 20180905-10 dated September 05, 2018 with effective from September 07, 2018. Therefore, we enjoy synergistic benefits as a subsidiary of YCL, which is principally engaged in the business of trading of dyes, chemicals and intermediates for textile and garment industry, water treatment industry, laminate industry, agrochemicals, adhesives, metal industry among others. YCL focuses on products such as tobas acid, beta nephthol sulpho tobas acid, J acid, H acid, Bon acid, melamine, phenol etc. YCL is a chemicals and dyes trading and distribution company with a diverse product portfolio.

Our Company is managed by our directors i.e., Pritesh Yashwantlal Shah and Dimple Priteshkumar Shah. With more than a decade of experience in this industry, our directors are actively involved in the day-to-day affairs of our Company’s operations adding valuable knowledge and experience required for sustainable growth.

## FINANCIAL SNAPSHOT















































### *Financial Performance of our Company*

*(₹ in Lakhs)*



Particulars	September 30, 2022	F.Y. 2021-22	F.Y. 2020-21	F.Y. 2019-20
Revenue from operations	1,199.86	2,505.19	1,777.36	1,940.97
Other income	271.73	111.81	27.42	20.58
EBITDA	348.95	299.62	196.52	174.82
Profit After Tax	268.85	195.41	125.35	115.51


## OUR PRODUCTS

### (A) Dyes Products

Sr. No.	Reactive Dyes	TONE	DIRECT DYES	TONE	BASIC DYES	TONE	FOOD COLOURS	TONE	VAT DYES	TONE
1	Golden Yellow R		Direct Yellow PG (Yellow 142)		Basic Yellow 2 (Auramine)		Allura Red		Yellow (Yellow 4)	
2	Golden Yellow RNL (Orange 107)		Direct Yellow RL (Yellow 86)		Basic Violet 10 (Rhodamine)		onceau 4R		Golden Yellow (Orange 1)	
3	Brilliant Yellow 4GL (Yellow 160)		Direct Yellow (Yellow 106)		Basic Violet 4 (Ethyl violet)		Orange Red		Orange (Orange 5)	
4	Brilliant Yellow FG (Yellow 42)		Direct Yellow 5G (Yellow 44)		Basic Violet 3 (Crystal Violet)		Strawberry red		Pink (Red 1)	
5	Brilliant Yellow GR (Yellow 15)		Direct Crysophenine G (Yellow 12)		Basic violet 1 (Methyl violet)		Raspberry red		Red 3B (Red 10)	
6	Yellow ME4GL (Yellow 160A)		Direct Orange SE (Orange 26)		Basic green 4 (melchite green)		Amaranth		Red 6B (Red 10)	
7	Golden Yellow MERL (Yellow 145)		Direct Orange 2GL (Orange 39)		Basic brown 4 (Bismark brown)		Carmoisine		Red Violet (Violet 3)	
8	Yellow H4G (Yellow 18)		Direct Scarlet F2G (Red 224)		Basic Blue 9 (methelene blue)		Rose pink		Violet (Violet 1)	
9	Golden Yellow HR (Orange 12)		Direct Rose FR (Red 227)		Basic orange 2 (Crysodine)		Sunset Yellow FCF		Grey (Black 16)	
10	Yellow M4R (Orange 14)		Direct Scarlet 4BS 200% (Red 23)				Quinoline Yellow		Black BB (Green 9)	
11	Yellow M8G (Yellow 86)		Direct Red 8BLN (Red 80)				Tartrazine		Brown (Brown 5)	
12	Yellow M4G (Yellow 22)		Direct Fast Red 8B (Red 81)				Egg Yellow		Blue (Blue 5)	
13	Golden Yellow MR (Yellow 44)		Direct fast rubine BL (Red 83)				Yolk Yellow			
14	Yellow HE6G (Yellow 135)		Direct red BWS (Red 243)				Chocolate Brown			
15	Yellow HE4G (Yellow 81)		Direct red 12B (Red 31)				Chocolate Brown HT			

16	Yellow HE4R (Orange 84)		Direct Red 6BS (Red 239)			Coffee Brown			
17	Golden Yellow HER (Orange 84A)		Direct Helio-B (Violet 51)			Dark Chocolate			
18	Brilliant Yellow GR (Yellow 15)		Direct Violet MB (Violet 9)			Lime Green			
19	Navy Blue RGB (Blue 250)		Direct T. Blue 8GL (Blue 89)			Apple Green			
20	Navy Blue GG (Blue 202)		Di. T. Blue FBL (Blue 199)			Pea Green			
21	Turquoise Blue G (Blue 21)		Di. Blue BRR (Blue 71)			Violet			
22	Turquoise Blue H5G (Blue 25)		Di. Blue (Blue 201)			Grape			
23	Blue R (Blue 19)		Di. Blue VG (Blue 1)			Indigo Carmine			
24	Blue 3R (Blue 28)		Di. Blue 2RL (Blue 80)			Brilliant Blue FCF			
25	Blue P3R (Blue 49)		Di. Black SB (Black 168)			Black Currant			
26	Blue BFN (Blue 222)		Di. Black FG (Black 22)			Erythrosine			
27	Blue ME2RL (Blue 248)		Di. Black NB (Black 170)						
28	Blue ME2GL (Blue 194)								
29	Blue MR (Blue 4)								
30	Blue M2R (Blue 81)								
31	Navy Blue M3R (Blue 9)								
32	Navy Blue HE2R (Blue 172)								

33	Navy Blue HER									
	(Blue 171)									
34	Blue H5R									
	(Blue 13)									
35	Orange 2R									
36	Orange 3R									
	(Orange 16)									
37	Orange ME2RL									
	(Orange 122)									
38	Orange H2R									
	(Orange 13)									
39	Orange M2R									
	(Orange 4)									
40	Orange HE2R									
	(Orange 94)									
41	Orange HER									
	(Orange 84)									
42	Black B									
	(Black 5)									
43	Black HN									
	(Black 8)									
44	Green HE4B									
	(Green 19A)									
45	Magenta HB									
	(Violet 14)									
46	Violet C4R									
	(Violet 24)									
47	Brilliant Magenta MB									
	(Violet 13)									
48	Purple H3R									
	(Violet 1)									
49	Brown GR									
	(Brown 18)									
50	Violet 5R									
	(Violet 5)									
51	Red 5B									
	(Red 35)									

52	Red Brown H4R									
	(Brown 9)									
53	Red ME6BL									
	(Red 195)									
54	Red ME6BL									
	(Red 250)									
55	Red MERBL (Red 198)									
56	Brilliant Red H8B (Red 31)									
57	Red HE7B									
	(Red 141)									
58	Red HE3B									
	(Red 120)									

**(B) FMCG Products**

HAIR OIL	TONER PRODUCT
 A green glass bottle of PLXO hair oil with a white pump dispenser, standing next to its yellow and green cardboard box. The box features the PLXO logo and the text 'Scent of Emotions'.	 A clear plastic bottle of PLXO toner with a white pump dispenser. The bottle has a red and white label with the PLXO logo and the text 'Scent of Emotions'.
POCKET PERFUME	PERFUME
 A blue and white rectangular box of PLXO Spritz Pocket Perfume. The box features the PLXO logo, the text 'Scent of Emotions', 'SPRITZ POCKET PERFUME', and 'MADE IN INDIA'.	 A black perfume bottle with a silver cap, sitting on a black box. The bottle has the PLXO logo and the text 'Scent of Emotions'. The box also features the PLXO logo and 'Scent of Emotions'.
HAND SOAP	
 A white box of PLXO hand soap with a purple flower design. The box features the PLXO logo, the text 'Safri Z', and 'HAND SOAP'. Two smaller boxes of PLXO hand soap are shown in front of it.	

**SANITIZER PRODUCT**



**500 ML liquid**



**500 ML gel**



**200 ML liquid**



**200 ML gel**



**100 ML liquid**



**100 ML gel**



## REVENUE FROM OPERATIONS

Particular	For the six months period ended on September 30, 2022		March 31, 2022		March 31, 2021		March 31, 2020	
	₹ In Lakhs	%	₹ In Lakhs	%	₹ In Lakhs	%	₹ In Lakhs	%
<b>Manufacturing Sales</b>								
a) Dyes and Pigment Paste	800.15	66.69%	1,787.28	71.34%	1,332.68	74.98%	1,040.55	53.61%
b) FMCG	0.92	0.08%	63.29	2.53%	137.16	7.72%	36.54	1.88%
<b>Trading</b>								
a) Dyes Intermediates and Pigment Paste	398.79	33.24%	654.62	26.13%	307.53	17.30%	863.88	44.51%
b) FMCG	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,199.86</b>	<b>100%</b>	<b>2,505.19</b>	<b>100%</b>	<b>1,777.37</b>	<b>100%</b>	<b>1,940.97</b>	<b>100%</b>

## PLANT AND MACHINERY

The major plant and machinery of our Company are as follows

### Unit-II at Changodar

Name of Major Machinery	Quantity
Semi Auto Aerosol Filling Machine Line	01
Air Compressor	01
SS MFG Mixture Tank 1000ltr	01
SS Storage 200ltr Mixture Tank	02
Filing Machine	01
Crimping Machine	01
Do Monoslive 2.5 (3 box)	01
Perfume Chiling Machine 100 ltr	01



1 head Pocket Filing Machine	01
Pad Printing Machine	01
Manual do Crimping Machine	01
Pug Pressing Machine 1 head	01
Barcode Exp	01
9 Kg Dcp Type Fire Extinguisher	01
5 Kg Dcp Moduler Type Fire Extinguisher	01
Gas Cylinder	01
Paste Filing Machine	01
Labelling Machine	01
Chilling Machine	01
Paste Filling Machine	01

#### **Unit I at Vatva**

<b>Name of Major Machinery</b>	<b>Quantity</b>
Ball Mill 0.5 Ton	01
Ball Mill 1.5 Ton	01
Ball Mill 3 Ton	01
Crompton Electric Motor Make 7.5 HP	01
Crompton Electric Motor 10 HP with stirrer	01
Crompton Electric Motors 20 HP	01
900 MM Dia SS Vibro Machine	01
High Shear Mixer Machine	01
Sand Mill Machine	01
Panel Board	01
Sigma Machine	01
Weigh Scale Machine-10 MG	01
500 KG P. F. Scale 750*750	01

### **OUR COMPETITIVE STRENGTHS**

#### ***Focus on Quality & Innovation***

Dye and pigment paste products that we manufacture are inspected and tested at third-party laboratories before delivering to the customers. Thereafter, the customers also test sample of our products in their laboratory before taking the delivery. However, for FMCG products we have in house testing lab for qualities control of the product. We are improving the products qualities as per demand and samples provided by our customers.

Our Company is dedicated towards quality of products, processes and inputs; we get repetitive orders from our buyers, as we are capable of meeting their quality standards.

#### ***Experienced Director***

We have an experienced Director, Pritesh Yashwantlal Shah who has more than 2 decades of experience in the dye industry and responsible for managing the affairs of our Company. Our Company is also led by Dimple Priteshkumar Shah who has 3 years of experience and knowledge of the industry. We rely on our director's vision and experience in the industry. Our directors have played a key role in driving the growth of our business.

#### ***Locational Advantage***

The manufacturing facility of the Company is located at Vatva, Changodar and Dholka, Ahmedabad, Gujarat. We ensure that our manufacturing processes meet all environment, health and safety standards.

The required skilled labour, raw material, technology, transportation, etc. for manufacturing are easily available due to extensive industrialization in the area. We locally procure chemicals and dye for manufacturing and mixing for our products. Our suppliers are having their facility/warehouses in close proximity to our manufacturing facility hence reducing the cost of transportation substantially without compromising on the quality of the raw material procured.

#### ***Diverse product offerings***

Our Company enjoys a wide product range for various industries and sectors. In addition to manufacturing of dyes and pigment paste, we also manufacture FMCG products such as hair oil, perfumes, handmade soap, sanitizer etc. for our own brand name “PLXO” and for contract manufacturing for others. Under our dyes segment we manufacture wide range of dyes such as reactive dyes, direct dyes, basic dyes, vat dyes and food colorants. The dyes manufactured by our Company can be broadly classified under the following type (a) natural dyes, (b) synthetic dyes and (c) synthetic organic dyes. Our Company manufactures over various shades and dyes. Our Company also manufactures wide range of organic and inorganic pigment paste. Our pigment paste range covers multiple color shades. We believe that the diverse product offerings help in balancing it out from market volatilities and demand.

#### ***Well established relationship with clients***

We have developed a strong client base for our product and services and enjoy certain level of an established relationship with them. Our business and growth are significantly depending on our ability to maintain the client relationship. We understand the dye industry is highly competitive and maintaining healthy relationship with them will help us to beat the competition. We have gained significant experience and have established track record and reputation for efficient and timely delivery of our product and services.

#### ***Supported and promoted by our holding company, Yash Chemex Limited (YCL)***

Our holding company, YCL, is engaged in the business of importing and trading of dyes, chemicals and intermediates. We benefit from a synergistic relationship with our holding company, pursuant to which it enables us to provide wide market access for selling our manufacturing products. We supply over for six months period ended on September 30, 2022, and for the financial year ended on March 31, 2022, 2021 and 2020 is 3.55% , 5.11% , 6.30% and 1.32% respectively of our sales to our holding company.

### **OUR BUSINESS STRATEGIES**

Our vision is to grow in existing and new markets by providing quality products and backward integration of manufacturing dye and pigment paste and FMCG products. We intend to grow and capitalize on the growing demand for our products in India. In line with this vision, our Company is implementing business strategies with the following key components:

#### ***Reduction of Operational costs***

Apart from expanding business and revenues, we have to look for areas to reduce costs and achieve efficiencies in order to remain a cost-competitive company. We focus on the latest technology and modification in the production process that will reduce in the cost of production.

#### ***Widening of customer base***

With the growing opportunities available in the market, we will endeavor to continue to grow our business by adding new customers in existing and new geographies and also new market segments & products. We are also making efforts and diagnosing the domestic markets for increasing sales of our FMCG products and expanding our own brand products.

***Increase product offerings***

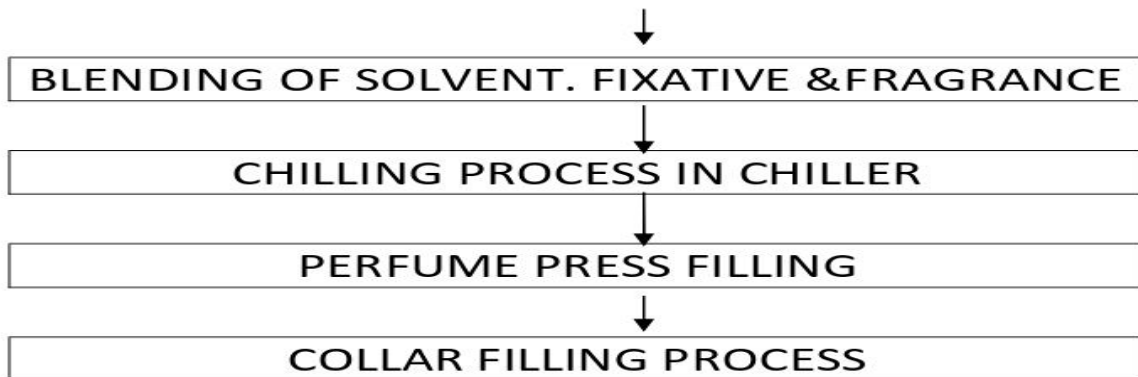
As a growth strategy we look to increasing product offerings and adding newer categories of products. We would also adopt newer and latest available technologies to increase our product quality and offerings. Technology and product addition and innovation will be core to this effort.

**PROCESS FLOW CHARTS**

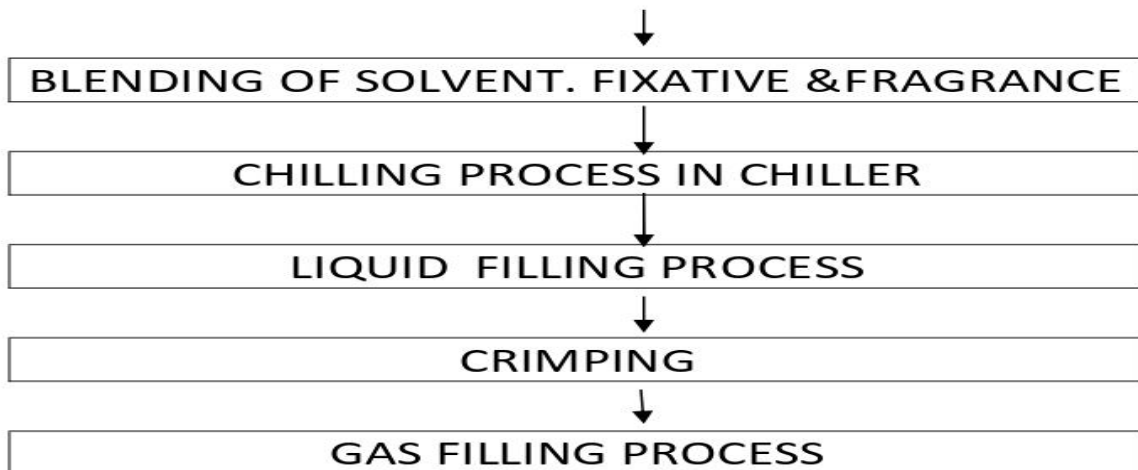
**CHANGODAR UNIT**

**PROCESS OF FLOW CHART**

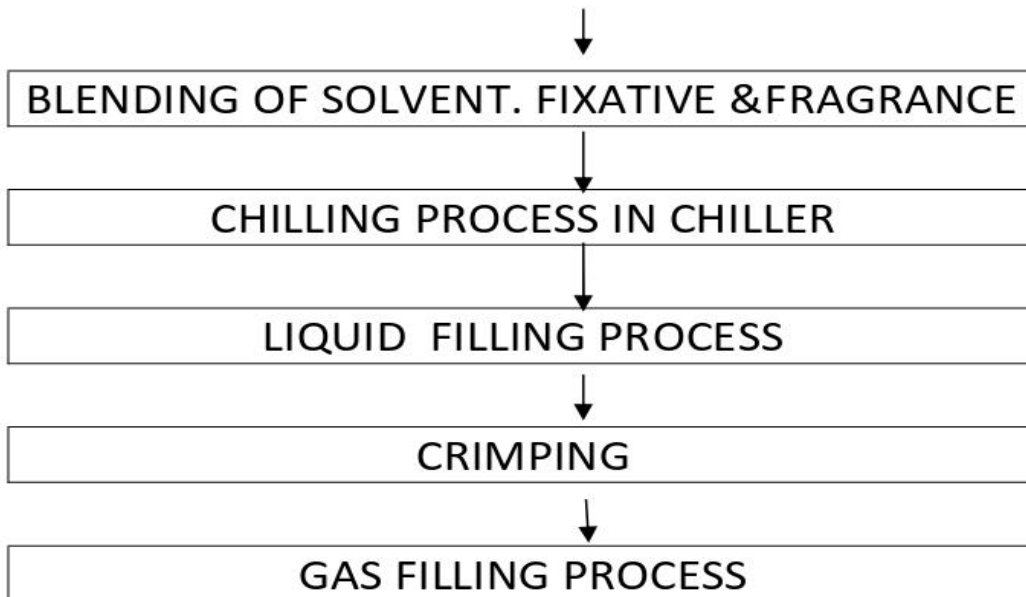
**1.PERFUME**



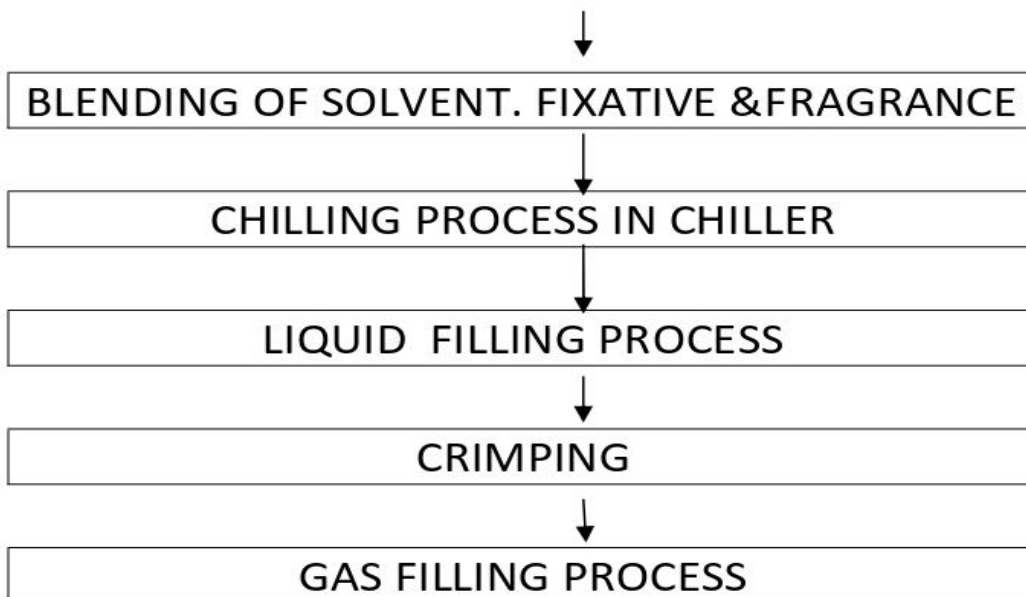
**2.DEODORANT**



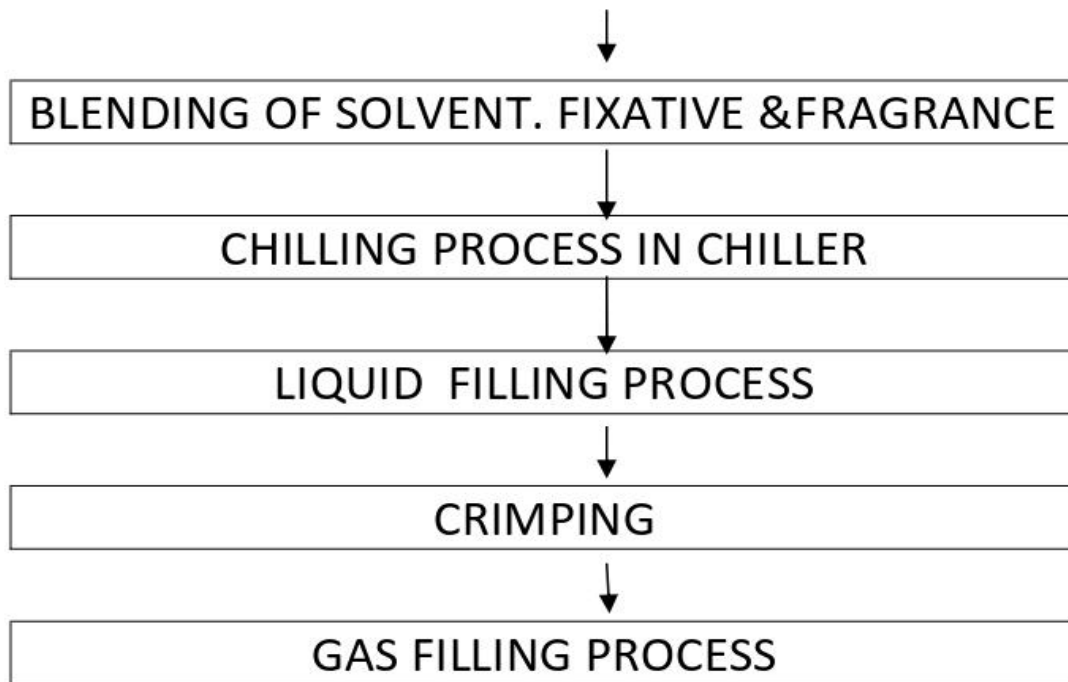
### 3. AIR - FRESHENERS



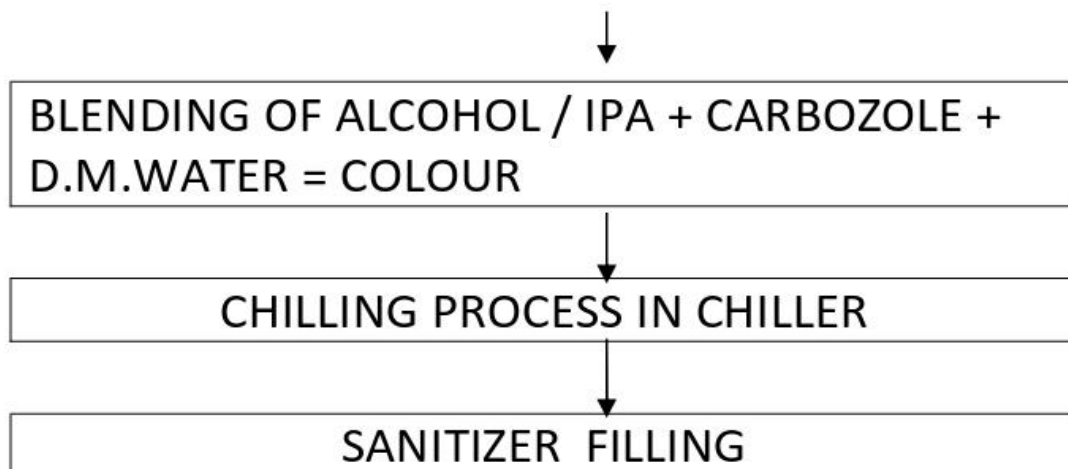
### 4. ROOM FRESHENERS



## 5. CAR FRESHENERS

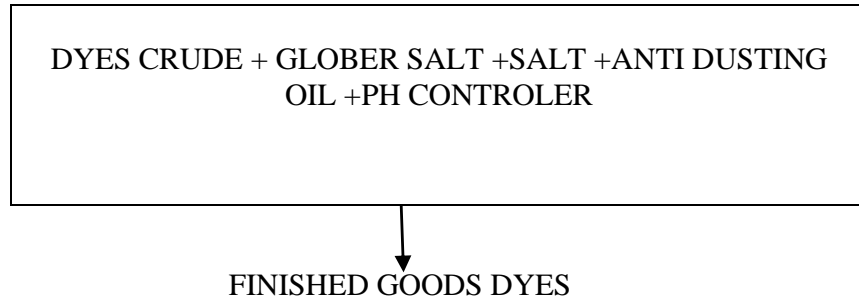


## 6. SANITIZER

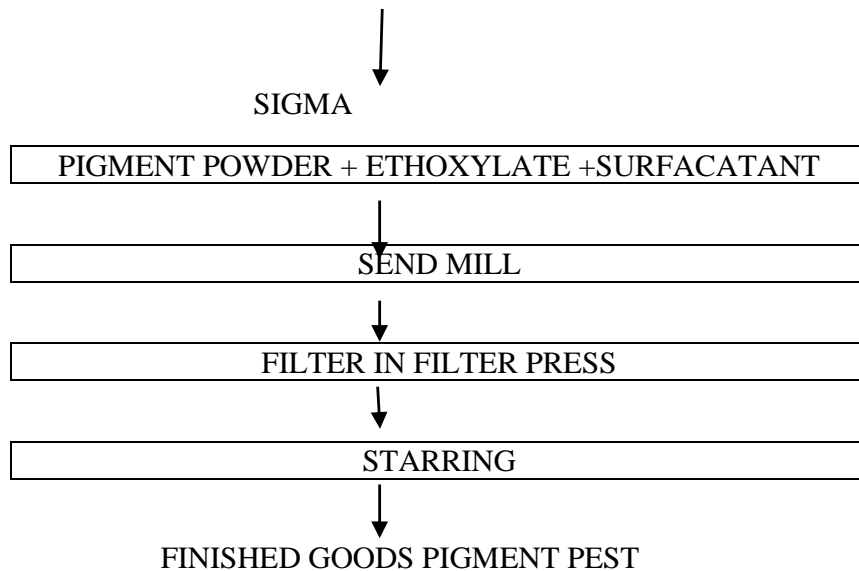


**VATVA UNIT**

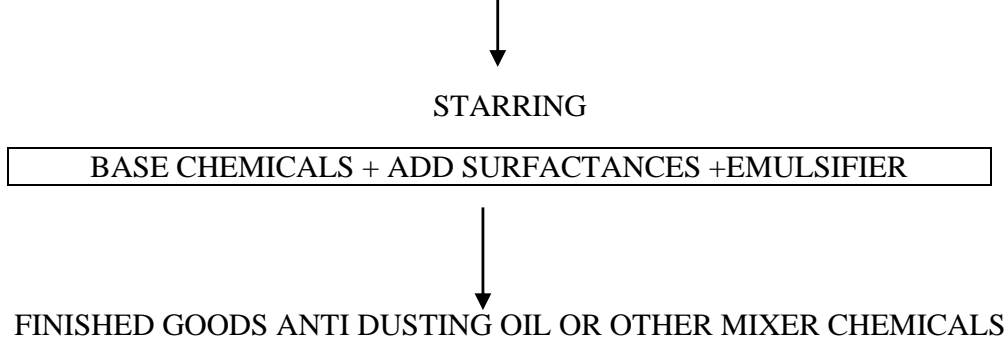
**DYES BALL MILLING + BLENDING**



**( 2 ) PIGMENT PASTE**



**( 3 ) ANTI DUSTING OIL OR OTHER MIXER CHEMICALS**





## OUR MAJOR CUSTOMERS

Our major list of customers for Dye and Pigment paste products and FMCG products for the stub period and last three financial years are mentioned below:

Sr. No.	Name of Customers	September 30, 2022	As of the end of and for the Financial Year ended March 31, 2022	As of the end of and for the Financial Year ended March 31, 2021	As of the end of and for the Financial Year ended March 31, 2020
1.	Customer 1	165.82	-	128.92	38.48
2.	Customer 2	57.8	64.40	-	-
3.	Customer 3	32.69	385.36	0.20	-
4.	Customer 4	64.08	276.25	5.74	215.00
5.	Customer 5	3715	111.89	7130	117.54
6.	Customer 6	16.65	-	-	-
7.	Customer 7	81.57	40.88	115.57	0.34
8.	Customer 8	49.66	252.89	73.69	178.34
9.	Customer 9	42.54	124.90	56.93	-
10.	Customer 10	172.70			
Sr. No.	Name of Customers	September 30, 2022	As of the end of and for the Financial Year ended March 31, 2022	As of the end of and for the Financial Year ended March 31, 2021	As of the end of and for the Financial Year ended March 31, 2020
1.	Customer 1	0.061	3.766	6.188	-
2.	Customer 2	0.039	114.954	2.324	-
3.	Customer 3	-	-	27.409	-
4.	Customer 4	0.064	0.428	2.650	-
5.	Customer 5	-	-	10.991	-
6.	Customer 6	-	-	6.266	-
7.	Customer 7	0.270	0.584	4.327	-
8.	Customer 8	-	-	4.312	-
9.	Customer 9	-	-	0.836	-
10.	Customer 10	-	5.358	0.510	-

## OUR MAJOR SUPPLIERS

Our major list of suppliers of raw materials for manufacturing our Dye and Pigment paste products and FMCG products for the stub period and last three financial years are mentioned below:

Sr. No.	Name of Suppliers	September 30, 2022	As of the end of and for the Financial Year ended March 31, 2022	As of the end of and for the Financial Year ended March 31, 2021	As of the end of and for the Financial Year ended March 31, 2020
1.	Suppliers 1	12.78	69.61	36.45	13.10
2.	Suppliers 2	179.51	125.65	36.45	-
3.	Suppliers 3	168.82	79.73	48.30	20.07
4.	Suppliers 4	11.75	9.99	-	-



5.	Suppliers 5	2.50	29.35	-	7.00
6.	Suppliers 6	3.02			
7.	Suppliers 7		46.00	-	-
8.	Suppliers 8	6.49	-	-	-
9.	Suppliers 9	214.05	32.52	33.90	-
10.	Suppliers 10	33.00	-	-	-
<b>Sr. No.</b>	<b>Name of Suppliers</b>	<b>September 30, 2022</b>	<b>As of the end of and for the Financial Year ended March 31, 2022</b>	<b>As of the end of and for the Financial Year ended March 31, 2021</b>	<b>As of the end of and for the Financial Year ended March 31, 2020</b>
1.	Suppliers 1	-	0.11	0.43	-
2.	Suppliers 2	-	-	2.78	-
3.	Suppliers 3	-	-	3.93	-
4.	Suppliers 4	-	-	7.16	-
5.	Suppliers 5	-	0.05	-	-

### ENVIRONMENT AND SAFTY MASURES

Focused on using modern technology to manage critical resources, to moderate the consumption of energy and natural resources and drive operations efficiently. Focus is to manufacture more from less, basis for environment responsibility.

Commitment towards reduce energy intensity, graduate to cleaner processes and fuels. Intend is to minimize effluents discharge while moderating water consumption

Safety protocols imbining in the culture of the Company and timely management review safety systems with quantified leading and lagging indicators

### OUR MANUFACTURING CAPABILITIES

For Changodar - Unit I: situated at -22, Shreeji 136 krupa estate, Tajpur road, Changodar, Ahmedabad, Gujarat, 382213.

The categorized existing & actual production capacities of the Company are as follows:

Product Name	2019-20			2020-21			2021-22		
	Instal led capacity (MTPA)*	Actual capacity (MTPA)**	Capaci ty Utilisat ion	Installe d capacity (MTPA)**	Actual capacity (MTPA)**	Capaci ty Utilisat ion	Installe d capacity (MTPA)**	Actual capacity (MTPA)**	Capaci ty Utilisat ion
FMCG – Sanitizer	50 LTR	25 LTR	18 LTR	200 LTR	150 LTR	106 LTR	350 LTR	150 LTR	26 LTR
FMCG – Perfume		25 LTR	NIL		50 LTR	40 LTR		200 LTR	95 LTR
<b>Total</b>	50 LTR	50 LTR	18 LTR	200 LTR	200 LTR	146 LTR	350 LTR	350 LTR	121 LTR

\* As certified by Kanubhai R Shah Chartered Engineer, by way of a certificate dated December 24, 2022.

For Vatva- Unit II: situated at- A-1/329, Phase-I, GIDC, Vatva, Ahmedabad, Gujarat, 382445.

The categorized existing and actual production capacities of the company are as follows:

Product Name	2019-20			2020-21			2021-22		
	Installed capacity (MTPA)**	Actual capacity (MTPA)**	Capacity Utilisation	Installed capacity (MTPA)**	Actual capacity (MTPA)**	Capacity Utilisation	Installed capacity (MTPA)**	Actual capacity (MTPA)**	Capacity Utilisation
Chemicals – Dyes	500 MTPA	475 MTPA	374 MTPA	500 MTPA	475 MTPA	468 MTPA	650 MTPA	600 MTPA	573 MTPA
Pigments		25 MTPA	NIL		25 MTPA			50 MTPA	3.6 MTPA
<b>Total</b>	500 MTPA	500 MTPA	374 MTPA	500 MTPA	500 MTPA	468 MTPA	650 MTPA	650 MTPA	576.6 MTPA

\* As certified by Kanubhai R Shah Chartered Engineer, by way of a certificate dated December 23, 2022.

For Dholka- Unit 3: situated at- Plot No: 504,512, 513,514, GIDC, Dholka, Ahmedabad, Gujarat-382225

The categorized existing and actual production capacities of the company are as follows:

Product Name	2019-20			2020-21			2021-22		
	Installed capacity (MTPA)**	Actual capacity (MTPA)**	Capacity Utilisation	Installed capacity (MTPA)**	Actual capacity (MTPA)**	Capacity Utilisation	Installed capacity (MTPA)**	Actual capacity (MTPA)**	Capacity Utilisation
Emulsifier and Surfactants	500 MTPA	500 MTPA	NIL	480 MTPA	480 MTPA	207 MTPA	1500 MTPA	1500 MTPA	1148 MTPA
<b>Total</b>	500 MTPA	500 MTPA	NIL	480 MTPA	480 MTPA	207 MTPA	1500 MTPA	1500 MTPA	1148 MTPA

As certified by Kanubhai R Shah Chartered Engineer, by way of a certificate dated December 24, 2022.

#### **COLLABORATIONS/TIE UPS/JOINT VENTURES**

Our Company has not entered into any collaborations/ tie-ups/ joint ventures as of the date of this Draft Prospectus, except our Company is a 99% partner in Rishit Polysurf LLP.

#### **EXPORT OBLIGATION**

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

#### **COMPETITION**

As our Industry is fragmented with small to very small players on the one side and large established players on the other side. However, we believe that our wide experience in this business and quality products will be the key to overcome competition posed by such players. Further, we believe that the principal factors

affecting competition in our business includes production process, sourcing raw materials, managing client relationships, reputation of business, retention of key employees, market focus, the relative quality and price. Our continued success depends on our ability to compete effectively against our existing and future competitors.

## **INFRASTRUCTURE & UTILITIES**

We have our Registered Office at 412 Sigma Icon -1, 132ft Ring Road. Opp Medilink Hospital, Satellite, Ahmedabad-380015, Gujarat, and warehouse located at Narol region in Gujarat and our production facility at our factory located at Vatva and Changodar.

### **Power**

Our Company purchases its electricity from Uttar Gujarat Vij Company Limited at Changodar Unit and from Torrent Power Limited at Vatva Unit and Registered office.

### **Raw Material**

We require various raw materials to carry on the manufacturing activities which are procured domestically.

### **Water**

Our Company procures water from a GIDC bore well situated in nearby vicinity.

## **HUMAN RESOURCE / EMPLOYEES**

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As on September 30, 2022 we have 6 employees at our manufacturing facility and registered office, who look after our business operations, factory management, administrative, secretarial, legal, marketing and accounting functions in accordance with their respective designated goals. Apart from these we also employ casual labour or temporary labour on need basis. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work progress and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

Company imparts training to the employees regarding handling of the chemicals and equipment's which are used in the manufacturing process. Further, in order to minimize exposure to chemicals, appropriate protective gears (gloves, safety glasses and masks) are provided and adequate number of fire extinguishers in compliance with the applicable laws are placed by the company to avoid any in case fire incidents.

## **INSURANCE**

Our Company have following Insurance Policy as on date of this Draft Prospectus;

<b>Name of the Insurance Company</b>	<b>Type of Policy</b>	<b>Validity Period</b>	<b>Description of Assets covered under the Policy</b>	<b>Policy No.</b>	<b>Total Sum Insured</b>	<b>Premium</b>
The New India Assurance Co. Ltd	burglary insurance	July 03, 2023	Stock of chemicals Furniture/Fixture/Fitting	21020046210100000308	73,50,000	17613
The New India	burglary insurance	February 21, 2023	Stock & Machinery	21020046200100000354	50,00,000	8850

Name of the Insurance Company	Type of Policy	Validity Period	Description of Assets covered under the Policy	Policy No.	Total Sum Insured	Premium
Assurance Co. Ltd						
National Insurance Co. Ltd'	burglary insurance	April 20, 2023	Various types of chemicals solvents of CAT III at 3 godowns including stock held in Trust	30120059221000079	5000000	5900
National Insurance Co. Ltd'	Marine Cargo Open Policy	March 05,2023	Perfume/Deodorent/Sanitizer Handmade soap/Hair Oil/Toner Etc Dyes/Pigments/Pest/Chemical/ In The Form Of Liquid/Gel/Powder/Granules	30120021221000017	16000000	18881
National Insurance Co. Ltd.	Personal Accident Insurance	May 19, 2023	Staff	301200422210001279 TO 1283	2500000	2925
The New India Assurance Co. Ltd	New India Bharat Sookshma Udyam Suraksha Policy	February 22, 2023	Stock Plant & machinery	2102001121800001433	66,00,000	12154
National Insurance Co. Ltd	Standard Fire & Earthquake	April 20, 2023	Stock	301200112210000155	50,00,000	27376
The New India Assurance Co. Ltd	Standard Fire & Special Perils Policy	March 07, 2023	Building Plant And Machinery Furniture/Fixture/Fitting Stock And Stock In Process	21020011218000001517	16350000	39821
Bajaj Allianz General Insurance Company Ltd.	Private Car Package Policy	April 08, 2023	Mercedes Benz	OG-23-2202-1801-00000353'	22,74,845	77423

Name of the Insurance Company	Type of Policy	Validity Period	Description of Assets covered under the Policy	Policy No.	Total Sum Insured	Premium
Tata Aig Insurance	Workmens Compensation	March 07, 2023	Workers Commercial Traveller Worker	2280025190	23,60,004	4,712
Future Generali India Insurance Company Limited	Car Policy	March 25,2023	MAHINDRA TUV300T10 AMT	V9942869	557,684	18,691

Our Company believes that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and Our Company cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

## OUR PROPERTIES

### *Immovable Properties*

we own certain properties for our corporate operations and projects. The brief details of some of the material properties owned/leased by our Company are set out below:

Sr. No	Details of the Property	Owned/ Leased/ Licence	Owner/ Lessor	Purpose Used	Consideration/Lease Rental/Licence Fees (₹)
1.	4 <sup>th</sup> floor, 412 Sigma Icon-1, 132ft Ring Road, Opp. Medilink Hospital, Satellite, Ahmedabad, Gujarat-380015 India.	Lease*	Dimple Priteshkumar Patel	Registered Office	26000
2.	Changodar Unit - 22, Shreeji 139rupa Industrial estate, Tajpur road, Changodar, Ahmedabad, Gujarat, 382213.	Leased	M/s Abhin Pharmaceuticals	Manufactuirng Unit-II	25000
3.	Vatva Unit – A-1/329, Phase-II, Gidc, Vatva, Ahmedabad, Gujarat, 382445	Leased	Shri Pritesh Y shah	Manufactuirng Unit-I	75000

Sr. No	Details of the Property	Owned/ Leased/ Licence	Owner/ Lessor	Purpose Used	Consideration/Lease Rental/Licence Fees (₹)
4.	4C, Devdiwala compound, Mattan Galli, Near Jagdish Process, Narol, Ahmedabad-382405	Leased	Savani Storage Services	Warehouse	1000

**\*Property Owned by Rishit Polysurf LLP**

Sr. No	Details of the Property	Owned/ Leased/ Licence	Owner/ Lessor	Purpose Used	Consideration/Lease Rental/Licence Fees (₹)
1	Dholka Unit-Plot No: 504,512, 513,514, GIDC, Dholka, Ahmedabad, Gujarat-382225	Owned	Rishit Polysurf LLP	Manufacturing Unit III	NA

*\* We do not own our Registered Office from which we operate. However, the said office will be taken on lease from Dimple Priteshkumar Shah, Director of our Company once she completes the registration formalities for purchasing the said office. Pending registration of our Registered Office in the name of Dimple Priteshkumar Shah and execution of lease deed, we will continue to carry our business activities from said Registered Office and pay rent as agreed.*

**Intellectual Property**

Our Company has obtained registration and/or made applications for the registration of the following trademark with Trademark Registry, Government of India.

Sr. No	Brand Name/ Logo Trademark	Class	Nature of Trademark	Applicant	Application No. & Date	Status
1.	PLXO	3	Word	Yasons Chemex Care Limited	3855804 June 09, 2018	Registered
2.	PLXO KESHA'Z HAIRESURRECT	3	Word	Yasons Chemex Care Limited	4105431 March 02, 2019	Registered

## KEY INDUSTRY REGULATIONS AND POLICIES

*Except as otherwise specified in this Draft Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of integrated facilities management services industry. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.*

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from various statutes, regulations and/or local legislations and the bye laws of relevant authorities that are available in the public domain. The description may not be exhaustive and is only intended as a substitute to provide general information to investors, and is neither designed, nor intended as a substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial, or administrative decisions. For further information, see “**Government and Other Approvals**” on page number 264 of this Draft Prospectus.*

## APPLICABLE LAWS AND REGULATIONS

### BUSINESS/TRADE RELATED LAWS/REGULATIONS

#### *The Micro, Small and Medium Enterprises Development Act, 2006*

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”) the 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. As per the revised classification via Notification no. CG-DL-E-01062020-219680 applicable w.e.f. from July 1, 2020, an enterprise would be classified as : “**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; “**Small enterprise**”, where the investment in plant and machinery or equipment does not exceed ten Crore rupees and Annual Turnover does not exceed fifty Crore rupees; or a “**medium enterprise**”, where the investment in plant and machinery or equipment does not exceed fifty Crore rupees and the Annual Turnover does not exceed Two hundred and Fifty Crore rupees.

#### *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 Legal Metrology Act 2009**

The Legal Metrology Act, 2009 (“LMA”) provides for establishing uniform standards of weights and measures regulate trade in weights, and other goods which are sold or distributed by weight, measure or number. Every manufacturer, repairer and seller shall have to obtain a license from the respective Controller. The Act allows Govt. approved test centers to verify weights and measures.

### **The Indian Boilers Act, 1923**

The Boilers Act states that the owner of any boiler (as defined therein), which is wholly or partly under pressure when is shut off, shall under the provisions of the Boilers Act, apply to the Inspector appointed thereunder to have the boiler registered which shall be accompanied by prescribed fee. The certificate for use of a registered boiler is issued pursuant to such application, for a period not exceeding twelve months, provided that a certificate in respect of an economiser or of an unfired boiler which forms an integral part of a processing plant in which steam is generated solely by the use of oil, asphalt or bitumen as a heating medium may be issued for a period not exceeding twenty-four months in accordance with the regulations made under Boilers Act. On the expiry of the term or due to any structural alteration, addition or renewal to the boiler, the owner of the boiler shall renew the certificate by providing the Inspector all reasonable facilities for the examination and all such information as may reasonably be required of him to have the boiler properly prepared and ready for examination in the prescribed manner.

## **INDUSTRIAL POLICY OF RELEVANT STATE**

### **Gujarat Industrial Policy, 2020**

In August 2020, the State government of Gujarat announced the New Gujarat Industrial Policy (GIP) 2020. The policy is designed to strengthen Gujarat's manufacturing ecosystem as well as provide a thrust to the 'up and coming' sectors of India's dynamic business ecosystem. The policy objectives include employment generation, new generation manufacturing, the advancement of thrust sectors, technology adoption, support to Micro, Small and Medium Enterprises (MSMEs), and balanced development of industry and infrastructure.

The previous policy, which was widely regarded as a success, was applicable from 2015 to 2019, was extended until the launch of GIP 2020. Over the last five years, Gujarat ranks first in the 'number of Industrial Entrepreneurs Memorandum' (Intent to Invest), contributing to ~51% of the national list. The new policy is expected to provide businesses a quantum of ~INR 40,000 crores (USD 5.3 billion) as incentives over the next five years. The policy also provides 'relocation incentives' to attract a host of multinationals looking to shift their manufacturing bases from China. As summarized by the Chief Minister of Gujarat, the policy lays down a foundation to develop Gujarat as a key pillar in 'Strengthening the Aatma-Nirbhar (self-reliant) spirit of India'.

### **Occupational Safety, Health and Working Conditions Code, 2020**

Occupational Safety, Health and Working Conditions Code, 2020 is an Act to consolidate and amend the laws regulating the occupational safety, health and working conditions of the persons employed in an establishment. The code amalgamate, simplify and rationalise the relevant provisions of the following thirteen Central labour enactments relating to occupation, safety, health and working conditions of workers, namely, 1. The Factories Act, 1948; 2. The Plantations Labour Act, 1951; 3. The Mines Act, 1952; 4. The Working Journalists and other Newspaper Employees (Conditions of Service and Miscellaneous Provisions) Act, 1955; 5. The Working Journalists (Fixation of Rates of Wages) Act, 1958; 6. The Motor Transport Workers Act, 1961; 7. The Beedi and Cigar Workers (Conditions of Employment) Act, 1966; 8. The Contract Labour (Regulation and Abolition) Act, 1970; 9. The Sales Promotion Employees (Condition of Service) Act, 1976; 10. The Inter-State Migrant workmen (Regulation of Employment and Conditions



of Service) Act, 1979; 11. The Cine Workers and Cinema Theatre Workers Act, 1981; 12. The Dock Workers (Safety, Health and Welfare) Act, 1986; and 13. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The Code received the assent of the President of India on September 28, 2020 and is published in the official gazette. The Code extends to the whole of India and covers all employees and workers whether in the organised, unorganised or any other sector.

***The salient features of the Occupational Safety, Health and Working Conditions Code, 2020 inter alia, are as under:***

- to make provision of "common license" for factory, contract labour and beedi and cigar establishments and to introduce the concept of a single all India license for a period of five years to engage the contract labour;
- The provisions of the Code is applicable for all establishments having ten or more workers, other than the establishments relating to mines and docks;
- to provide the concept of "one registration" for all establishments having ten or more employees. However, for the applicability of all other provisions of the Code in respect of factories, except registration, the threshold has been fixed twenty workers in a factory (with power) and forty workers (without power);
- it provides for issuing of appointment letter mandatorily by the employer of an establishment to promote formalisation in employment;
- it provides free of cost annual health check-ups for employees above the specified age in all or certain class of establishments by which it would be possible to detect diseases at an early stage for effective and proper treatment of the employees;
- to make the provisions relating to Inter-State Migrant Workers applicable on the establishment in which ten or more migrant workers are employed or were employed on any day of the preceding twelve months and also provide that a Inter State Migrant may register himself as an Inter-State Migrant Worker on the portal on the basis of self-declaration and Aadhaar;
- it provides provisions relating to employ women in all establishments for all types of work. They can also work at night, that is, beyond 7 PM and before 6 AM subject to the conditions relating to safety, holiday, working hours and their consent;
- to make provision for Social Security Fund for the welfare of unorganised workers;

***The Code on Social Security, 2020***

Code on Social Security, 2020 is an Act to amend and consolidate the laws relating to social security with the goal to extend social security to all employees and workers either in the organised or unorganised or any other sectors. Code On Social Security, 2020, amalgamate, simplify and rationalise the relevant provisions of the following nine central labour enactments relating to social security, namely, (i) The Employees' Compensation Act, 1923;(ii) The Employees' State Insurance Act, 1948;(iii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;(iv) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;(v) The Maternity Benefit Act, 1961;(vi) The Payment of Gratuity Act, 1972;(vii)The Cine Workers Welfare Fund Act, 1981; (viii) The Building and Other Construction Workers Welfare Cess Act, 1996; and (ix) The unorganised Workers' Social Security Act, 2008. The Code received the assent of the President of India on September 28, 2020 and is published in the official gazette.

***The salient features of the Code on Social Security, 2020, inter alia, areas under:***

- it provides for registration, electronically or otherwise, of every establishment to which the Code applies, within such time and in such manner as the Central Government may by rules determine. It further provides for an option for cancellation of registration by any establishment whose business activities are in the process of closure.
- it provides for constitution of various social security organisations for the administration of the Code, namely, (a) the Central Board of Trustees of the Employees' Provident Fund (Central Board), (b) the Employees' State Insurance Corporation (Corporation), (c) the National Social Security Board for Unorganised Workers (National Social Security Board), (d) the State Unorganised Workers' Social Security Board and (e) the State Building Workers Welfare Boards.
- to empower the Central Government to frame schemes for unorganised workers, gig workers and platform workers and the members of their families for providing benefits relating to Employees' State Insurance Corporation;
- it provides the provisions for maternity benefits such as prohibition from work during certain periods, provision of nursing breaks, crèche facility, claim for maternity benefits, etc.
- it provides for registration of every unorganised worker, gig worker or platform worker on the basis of self-declaration electronically or otherwise, along with such documents including Aadhaar number.

### **The Industrial Relations Code, 2020**

Industrial Relations Code, 2020 is an Act to consolidate and amend the laws relating to Trade Unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial disputes. Industrial Relation Code 2020 amalgamate, simplify and rationalise the relevant provisions of (a) the Trade Unions Act, 1926; (b) the Industrial Employment (Standing Orders) Act, 1946; and (c) the Industrial Disputes Act, 1947. The Code received the assent of the President of India on September 28, 2020 and is published in the official gazette.

#### ***The salient features of the Industrial Relations Code, 2020, inter alia, are as follows:***

- it defines —workers‖ which includes the persons in supervisory capacity getting wages up to eighteen thousand rupees per month or an amount as may be notified by the Central Government from time to time;
- it provides for fixed term employment with the objective that the employee gets all the benefits like that of a permanent worker (including i), except for notice period after conclusion of a fixed period, and retrenchment compensation. The employer has been provided with the flexibility to employ workers on fixed term basis on the basis of requirement and without restriction on any sector;
- to revise the definition of —industry‖ that any systematic activity carried on by co-operation between the employer and workers for the production, supply or distribution of goods or services with a view to satisfy human wants or wishes (not being wants or wishes which are merely spiritual or religious in nature) with certain exceptions;
- the code brings concerted casual leave within the ambit of the definition of strike;
- it provides framework to prohibit strikes and lock-outs in all industrial establishments without giving notice of fourteen days; (f) to set up a re-skilling fund for training of retrenched workers.

### **ANTI-TRUST LAWS**

#### **Competition Act, 2002**

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 ₹ 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

## **GENERAL CORPORATE COMPLIANCE**

### ***The Companies Act 1956 and the Companies Act, 2013***

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

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

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them.

### ***The Arbitration and Conciliation Act, 1996***

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

### ***The Insolvency and Bankruptcy Code, 2016***

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The

Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities.

## **EMPLOYMENT AND LABOUR LAWS**

### **Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

### **Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 (“MWA”) came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

### **Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **Equal Remuneration Act, 1979**

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

### **Child Labour Prohibition and Regulation Act, 1986**

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

### **Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957**

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

### **Apprentices Act, 1961**

The Apprentices Act was enacted in 1961 for imparting training to apprentices i.e. a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Every employer shall make suitable arrangements in his workshop for imparting a course of practical training to every apprentice engaged by him in accordance with the programme approved by the apprenticeship adviser. The central apprenticeship adviser or any other person not below the rank of an assistant apprenticeship adviser shall be given all reasonable facilities for access to each apprentice with a view to test his work and to ensure that the practical training is being imparted in accordance with the approved programme.

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

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

## **TAX RELATED LEGISLATIONS**

### **Income-tax Act, 1961**

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

### **Goods and Service Tax (GST)**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based

consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of ₹ 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be ₹ 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year up to ₹ 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition, a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain Fifteen digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code).

### **State laws governing Entry Tax**

Entry Tax provides for the levy and collection of tax on the entry of goods into the local areas of the state for consumption, use or sale therein and matters incidental thereto and connected therewith. It was levied at such rate as may be specified by the State Government and different rates may be specified for different goods

## **OTHER LAWS**

### **Shops and Establishments Laws**

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of

working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019 is applicable to the Company.

## **ENVIRONMENTAL LEGISLATIONS**

### ***The Environment Protection Act, 1986***

The purpose of the Environment Protection Act ("Environment Protection Act") is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to (a) prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

### ***The Noise Pollution (Regulation & Control) Rules 2000 ("Noise Regulation Rules")***

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

### ***Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008***

These rules stipulate provisions for proper collection, reception, transport, treatment, storage and disposal of hazardous waste. Any waste, which by virtue of any of its physical, chemical, reactive, toxic, flammable, explosive or corrosive characteristics causes danger or is likely to cause danger to health or environment, whether alone or when in contact with other wastes or substances has been defined as "hazardous waste" and includes wastes generated mainly from the processes referred under Schedule-I of the said Rules. In addition, some wastes become hazardous by virtue of concentration limits as well as hazardous characteristics listed under Schedule -II of the said Rules. It also includes the wastes specified in Parts A and B of Schedule-III in respect of import or export of such wastes and other wastes possessing hazardous characteristics specified in Part C of Schedule-III. These rules do not apply to waste-water and exhaust gases as covered under the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981) and the rules made thereunder. Every person who is engaged in generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste shall require to obtain an authorization by applying to the State Pollution Control Board in the prescribed form. Such authorization shall be valid for a period of five years and shall be subject to such conditions as may be laid down therein. Every person authorized under these rules shall maintain the record of hazardous wastes handled by him and prepare and submit to the Board, an annual return of the same. The occupier shall take all adequate steps while handling hazardous wastes to (i) contain contaminants and prevent accidents and limit their

consequences on human beings and the environment; and (ii) provide persons working on the site with the training, equipment and the information necessary to ensure their safety.

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

The Water Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of boards for the prevention and control of water pollution, for conferring on and assigning to such boards powers and functions relating thereto and for matters connected therewith. The Water Act defines —pollution as such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms. The Water Act envisages establishing a Central Pollution Control Board as well as State Pollution Control Board for prevention and control of water pollution.

**Water (Prevention and Control of Pollution) Cess Act, 1977 (“Water Cess Act”)**

The Water Cess Act, as amended provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Under this Act, every person carrying on any industry is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the Environment Act. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed. Penalties for non-compliance with the obligation to furnish a return and evasion of cess include imprisonment of any person for a period up to six months or a fine of `1,000 or both and penalty for non-payment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears

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

Pursuant to the provisions of the Air Act, as amended, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Boards required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the state government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the State Pollution Control Board. Under the Air Act, the Central Pollution Control Board has powers, inter alia, to specify standards for quality of air, while the State Pollution Control Boards have powers, inter alia, to inspect any control equipment, industrial plant or manufacturing process, to advise the state government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

**Environment Impact Assessment Notifications**

The Environment Impact Assessment Notification S.O.60(E), issued on January 27, 1994 (—1994 Notification)) under the provisions of the Environment Act, as amended, prescribes that for the construction



of certain power projects specified in the 1994 Notification, in the case of new projects, if the investment is more than `1,000 million and in the case of expansion or modernization projects, if the investment is more than `500 million the prior environmental clearance of the Ministry of Environment and Forest (—MoEF) is required. The environmental clearance must be obtained from the MoEF according to the procedure specified in the 1994 Notification. No construction work, preliminary or other, relating to the setting up of a project can be undertaken until such clearance is obtained. The application to the MoEF is required to be accompanied by a project report which should include, inter alia, an Environmental Impact Assessment Report and an Environment Management Plan. The Impact Assessment Authority evaluates the report and plan submitted. Such assessment is required to be completed within a period of 90 days from receipt of the requisite documents from the project developer / manager. Thereafter, a public hearing has to be completed and a decision conveyed within thirty days. The clearance granted is valid for a period of five years from the commencement of the construction or operation of the project. The project developer / manager concerned are required to submit a half yearly report to the Impact Assessment Authority to enable it to effectively monitor the implementation of the recommendations and conditions subject to which the environmental clearance has been given. If no comments from the Impact Assessment Authority are received within the time limits specified above, the project will be deemed to have been approved by the project developer / manager. On September 14, 2006, the Environmental Impact Assessment Notification S.O. 1533 (—2006 Notification) superseded the 1994 Notification. Under the 2006 Notification, the environmental clearance process for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the draft Environment Impact Assessment Report and the Environment Management Plan. The final Environment Impact Assessment Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required to g

#### **The Public Liability Insurance Act, 1991**

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

#### **E-Waste Management Rules, 2016**

The Government of India (GoI) introduced the E-Waste Management Rules in 2016. The rules apply to businesses that are generating electronic waste items. The rules specify that businesses should make arrangements for the safe disposal of scrapped electronic items. The rules are administered by the Ministry of Environment, Forest and Climate Change. As the decomposition of electronic items will take a more prolonged and different methodology, the companies are asked to separate the wastes at source. To address the issue, the Government of India has introduced the Extended Producer Responsibility Plan as part of the E-Waste Management Rules. Under the plan, companies should undertake the responsibility to recycle a minimum percentage of the electronic products manufactured. The E-Waste Management Rules mention the ceiling limit for hazardous chemicals that are used in manufacturing electronic products. The rules also specify the procedure to obtain authorisation from the Pollution Control Board for handling e-waste.

#### **Hazardous Waste (Management and Handling) Rules, 1989 (“Hazardous Waste Act”)**

The Hazardous Waste Act defines waste oil and oil emulsions as hazardous wastes and imposes an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. The Hazardous Waste Rules impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. Each occupier and operator of any facility generating hazardous

waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste. The occupier, transporter and operators liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and any fine that may be levied by the respective State Pollution Control Boards. Penalty for the contravention of the provisions of the Hazardous Waste Rules includes imprisonment up to five years and imposition of fines as may be specified in the Environment Act or both.

### **National Environmental Policy, 2006**

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of the National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance & Inter-generational Equity
- Enhancement of resources for Environmental Conservation

### **Hazardous and other Wastes (Management and Trans boundary Movement) Rules, 2016 (“HW Rules”)**

The HW Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes through a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and disposal of hazardous waste is required to obtain an authorization from the relevant state PCB for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste. The new HW Rules as compared to the Rules of 2008 have enlarged the scope of regulated wastes by including ‘other wastes’ in its ambit. Other wastes include: Waste tyre, paper waste, metal scrap, used electronic items, etc. and are recognized as a resource for recycling and reuse. These resources supplement the industrial processes and reduce the load on the virgin resource of the country.

### **The Manufacture, Storage and import of Hazardous Chemical Rules, 1989 (“Rules”)**

The Rules are formulated under the Environment (Protection) Act, 1986. The Rules are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipe line, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority. Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority

containing the particulars specified in the schedule to the Rules at least 3 months before commencing that activity or before such shorter time as the concerned authority may agree.

## **INTELLECTUAL PROPERTY LEGISLATIONS**

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999
- Design Act, 2000

### **Indian Patents Act, 1970**

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

### **The Copyright Act, 1957**

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

### **Trade Marks Act, 1999**

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

### **Designs Act, 2000**

The Design Act, 2000 came into force in May 2001 to consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms. In order to register a design, it must be new and original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registerable. A registered design is valid for a period of 10 years after which can be renewed for a second period of 5 years, before the expiration of the original period of 10 years. After such period the design is made available to the public by placing it in the public domain.

## **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Electricity Act 2003, Employee State Insurance Act 1948, Specific Relief Act 1963, Negotiable Instrument

Act 1881, The Information Technology Act, 2000, Registration Act 1908, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

## **FOREIGN REGULATIONS**

### **Foreign Trade (Development and Regulation) Act, 1992**

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (“DGFT”) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. DGFT is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

### **Foreign Exchange Management Act, 1999**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations promulgated there under. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertain a bleat the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

### **FEMA Regulations**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in

excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India

### **The Foreign Direct Investment**

The Government of India has from time to time made policy pronouncements on Foreign Direct Investments ("FDI") through press notes and press releases. The Department for Promotion of Industry and Internal Trade ("DPIIT") issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the "FDI Policy"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

## HISTORY AND CERTAIN CORPORATE MATTERS

### HISTORY AND BACKGROUND

Our Company was originally incorporated on October 17, 2017 at Ahmedabad as —Yasons Chemex Care Limited under the provisions of the Companies Act, 2013 with the Registrar of Companies, Gujarat vide certificate of incorporation bearing Corporate Identification Number U24304GJ2017PLC099511.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, please refer the chapters titled “*Our Business*”, “*Industry Overview*”, “*Our Management*”, “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 118,108 ,161 ,186 and241 respectively of this Draft Prospectus.

For further details, please refer the chapter titled “*Capital Structure*” beginning on page no. 69 of this Draft Prospectus.

### CHANGES IN REGISTERED OFFICE OF OUR COMPANY.

Our Company’s registered office is presently situated at 4<sup>th</sup> floor, 412 Sigma Icon-1, 132ft Ring Road, Opp. Medilink Hospital, Satellite, Ahmedabad, Gujarat-380015 India.

Date of change of registered office	From	To	Reason for the change of the Registered office
December 08, 2017	63, Vrundavan Bunglows-1, Nr. Ashwamegh, Satelite Road, Jodhpur, Ahmedabad	4 <sup>th</sup> floor, 412 Sigma Icon-1, 132ft Ring Road, Opp. Medilink Hospital, Satellite, Ahmedabad, Gujarat-380015 India.	Operational Convenience

### MAIN OBJECTS OF OUR COMPANY

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

To manufacture, produce, process, make, develop, distribute, convert, import, export, trade, buy, sell whether as retailers or wholesalers, suppliers, packers, repackers, stockists, agents, subagents, merchants, consignors, jobbers, brokers, or otherwise deal in perfumes, aromatic, perfumery and flavouring substances like phenones, acetylene derivatives, anthracenes alcohols, aldehydes, esters, acids, salicylates, all types of synthetic musks, and its compounds, and derivatives, and compounds or chemical or derivatives used in perfumery industries, perfumery products, including deodorisers, depilatories, toilet preparations, agarbattis, scents, sprays, Consumer goods and other goods, all essentials oils, both natural and synthetic, premium quality perfumes in varied fragrances and all sorts of perfumes, raw material and compounds required for the manufacture of the above products made from or with the use of any of the products thereof.

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION (MOA)

Since incorporation, the following amendments have been made to the MoA:

Date of Shareholder’s Resolution	Clause	Particulars
October 31, 2017	Capital Clause	Increase in authorised share capital from ₹1,00,00,000 divided into 10,00,000 Equity Shares of ₹10 each to ₹ 3,00,00,000 divided into 30,00,000 Equity Shares of ₹10 each.

November 25, 2017	Capital Clause	Increase in authorised share capital from ₹3,00,00,000 divided into 30,00,000 Equity Shares of ₹10 each to ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹10 each.
November 25, 2017	Object Clause	<p>Addition in the main Clause III A of Memorandum of Association to be read as under:</p> <p>II. To manufacture, produce, refine, process, formulate, acquire, convert, sell, distribute, import, export, deal in either as principals or agents or indenting agents in organic and inorganic chemicals, Dyes &amp; chemicals, Intermediates, alkalis, acids, gases, petrochemicals, salts, solvents, electro chemicals, chemical elements and compound pesticides, insecticides explosives, light and heavy chemicals of any nature used or capable of being used in the pharmaceuticals, textile industry, defence chemicals, Food Colour, Raw Material used in Lamination Industry, construction, Cosmetic and Chemical used in Cosmetic. Fertilisers, petrochemicals and industrial chemicals and household purposes in any form made of any kind of plastic, plastic Chemicals resins other resins, chemical scrap metal scrap, other scrap used in chemical, metal, copper, zink including articles such as cans, drums, containers made from the same and compounds, intermediaries, derivatives and by-products thereof. To carry on the business of importers, exporters, traders and dealers in textiles, pharmaceuticals, medical, laboratory and scientific chemicals, pathological, cincal, construction, industrial and other dyes &amp; chemicals, welding electrodes accessories and equipments, spare parts, hardware material, sanitary, electricals, mill stores, machinery, general stores, agriculture chemicals, glass and ceramic industries, toes, poultry feeds, cattle feeds, rubber and paints, chemicals or any mixture, derivatives and compounds thereof including calcite, feldspar, dolomite gypsum, quartz con earth, rock, phosphate, soap stone etc.</p> <p>Further addition in Part B of Clause III of Memorandum of Association to be read as under:</p> <p>31. Subject to the provisions of the Companies Act, 2013, to invest, apply for, acquire or otherwise employ money belonging to, entrusted to or at the disposal of the company upon securities and shares with or without securities upon such terms as may be thought proper and from time to time to vary such transaction in such manner as the Company may think fit.</p> <p>32. To borrow or raise money from any person, firm, body corporate, financial institutions, banks or association or persons with or without interest subject to the Banking Regulations Act, 1949 and Section 73 of the Companies Act, 2013, in such manner as the Company shall think fit and in carticular by mortgage, charge, lien, hypothecate, pledge or the Issue of debentures charged upon all or any of the</p>

		Company's property (both present and future) including its uncalled capital and to apply to the same or any part thereof all or any of the purpose of the Company.
May 23, 2018	Capital Clause	Increase in authorised share capital from ₹5,00,00,000 divided into 50,00,000 Equity Shares of ₹10 each to ₹ 6,60,00,000 divided into 66,00,000 Equity Shares of ₹10 each
November 29, 2022	Capital Clause	Increase in authorised share capital from ₹6,60,00,000 divided into 66,00,000 Equity Shares of ₹10 each to ₹ 21,11,11,110 divided into 2,11,11,111 Equity Shares of ₹10 each

## MAJOR EVENTS, MILESTONES, KEY AWARDS, ACHIEVEMENTS AND ACCOLADES OF OUR COMPANY

*The following tables set forth the major events and milestones in the history of our company:*

Financial Year	Major Events
2017	Incorporation of the Company in the name and style of —Yasons Chemex Care Limited
2019	Get the License/certificate for using Alcohol and Ethanol.
2020	Takeover the Rishit Polysurf LLP with the 99% partnership ratio.

*The following tables set forth the Key Awards, Achievements and Accolades in the history of our Company:*

Financial Year	Major Events
2018	Applied for registration of trademark Act,1999 for use of goods and services-PLXO
2018	Get FDA License
2019	Applied for registration of trademark Act,1999 for use of Hair Regrowth Oil
2020	Get certificate from Institute of kidney diseases & research centre for use of Sanitizers for Bodywash Purpose.
2020	Received certificate of ISO 9001:2015
2020	Received Certificate of Compliance -CE-4719
2020	Received certificate for Good Manufacturing Practice -UQ-14832

### HOLDING COMPANY

Yash Chemex Limited, the Promoter of our Company, is our holding company as on the date of this Draft Prospectus. For further details see **“Our Promoter and Promoter Group”** on page 179.

### SUBSIDIARY COMPANY/ JOINT VENTURE AND ASSOICATE

As on the date of this draft Prospectus, our Company does not have any subsidiary company, associates or joint ventures.

However, Our Company is also a partner in Rishit Polysurf LLP with 99% of share in profits.

### STRATEGIC PARTNERS

Our Company does not have any strategic partners as on the date of this Draft Prospectus.

### FINANCIAL PARTNERS



Apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, as on the date of this Draft Prospectus, our Company does not have any financial partners.

#### **TIME AND COST OVERRUN IN SETTING UP OF PROJECTS**

As on the date of this Draft Prospectus, there have been no instances of time and cost overruns in setting up of our projects.

#### **LOCK-OUT AND STRIKES**

There have been no instances of strikes or lock-outs at any time in our Company.

#### **CAPACITY/ FACILITY CREATION, LOCATION OF PLANTS**

For details pertaining to capacity / facility creation, location of plant refers chapter titled “*Business Overview*” beginning on page 118 of this Draft Prospectus.

#### **DETAILS OF LAUNCH OF KEY SERVICES, ENTRY IN NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS**

For details pertaining to launch of key services, entry in new geographies or exit from existing markets, please refer chapter titled “*Business Overview*” on page 118 of this Draft Prospectus.

#### **DEFAULTS OR RESCHEDULING / RESTRUCTURING OF BORROWINGS OUR COMPANY WITH FINANCIAL INSTITUTIONS / BANKS**

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

#### **ACQUISITION OR DIVESTMENTS OF BUSINESS / UNDERTAKINGS, MERGERS AND AMALGAMATIONS**

There has been no merger or acquisition of businesses or undertakings in the history of our Company.

#### **REVALUATION OF ASSETS**

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

#### **SHAREHOLDERS AND OTHER MATERIAL AGREEMENTS**

There are no shareholders and other material agreements, other than those entered into in the ordinary course of business carried on or intended to be carried on by our Company.

#### **CHANGES IN THE ACTIVITIES OF OUR COMPANY HAVING MATERIAL EFFECT**

Other than as mentioned in the chapters titled “*Business Overview*” and “*History and Certain Corporate Matter*” beginning on pages 118 and 156 respectively, of this Draft Prospectus, there has been no change in the activities being carried out by our Company which may have a material effect on the profits/ loss of our Company, including discontinuance of the current lines of business, loss of projects or markets and similar factors.

#### **DETAILS OF GUARANTEES GIVEN TO THIRD PARTIES BY THE PROMOTER**

As on the date of this Draft Prospectus, no guarantee has been issued by Promoter except as disclosed in the chapter titled “*Financial Indebtedness*” beginning on page 250 of this Draft Prospectus.

#### **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTER OR ANY OTHER EMPLOYEE OF THE COMPANY**

There are no agreements entered into by key managerial personnel or a Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

## OUR MANAGEMENT

### BOARD OF DIRECTORS DETAILS ARE AS FOLLOWS

As on the date of this Draft Prospectus, our Board comprises of 5 Directors, including two Executive Directors, and three Non-Executive Independent Directors. The present composition of the Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013.

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Prospectus
<p><b>PRITESH YASHWANTLAL SHAH</b>  <b>Designation:</b> Managing Director cum Chairman  <b>DIN:</b> 00239665  <b>Date of Birth:</b> April 25, 1975  <b>Age:</b> 48 years  <b>Occupation:</b> Business  <b>Address:</b> 63, Vrundavan Bunglow, Near Medilink Hospital, Satellite, Ahmadabad City, Ahmedabad, Gujarat, 380015  <b>Nationality:</b> Indian  <b>Original Date of Appointment:</b> October 17, 2017  <b>Change in Designation:</b> December 20, 2022  <b>Period of Directorship:</b> 5 years with effect from December 20, 2022 and shall be liable to retire by rotation.</p>	<p><b>Public Company</b>  Yash Chemex Limited</p>
<p><b>DIMPLE PRITESHKUMAR SHAH</b>  <b>Designation:</b> Wholetime Director  <b>DIN:</b> 06914755  <b>Date of Birth:</b> June 20, 1977  <b>Age:</b> 46 years  <b>Occupation:</b> Business  <b>Address:</b> 63, Vrundavan Bunglow, Near Medilink Hospital, Satellite, Ahmadabad City, Ahmedabad, Gujarat, 380015  <b>Nationality:</b> Indian  <b>Original Date of Appointment:</b> January 01, 2018  <b>Change in Designation:</b> December 20, 2022  <b>Period of Directorship:</b> 5 years with effect from December 20, 2022 and shall be liable to retire by rotation</p>	<p><b>Public Company</b>  Yash Chemex Limited</p>

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Prospectus
<p><b>ANGEE RAJENDRAKUMAR SHAH</b>  <b>Designation:</b> Non-Executive Independent Director  <b>DIN:</b> 07486980  <b>Date of Birth:</b> October 10, 1993  <b>Age:</b> 29 Years  <b>Occupation:</b> Business  <b>Address:</b> 24, Kirti Society, Opp Babeshwar Society, Ramnagar, Sabarmati, Ahmedabad, Gujarat-380005, India.  <b>Nationality:</b> Indian  <b>Original Date of Appointment:</b> July 13, 2019  <b>Change in Designation:</b> September 30, 2019  <b>Period of Directorship:</b> 5 years with effect from July 13, 2019 and shall not be liable to retire by rotation</p>	<p><b>Public Company</b>  Yash Chemex Limited</p>
<p><b>SMIT KUMARPAL SHAH</b>  <b>Designation:</b> Non-Executive Independent Director  <b>DIN:</b> 09803827  <b>Date of Birth:</b> June 12, 1990  <b>Age:</b> 33 Years  <b>Occupation:</b> Professional  <b>Address:</b> 23, Rajgiri Society, Narayan Nagar Road, Paldi, Ahmedabad, Gujarat, 380007  <b>Nationality:</b> Indian  <b>Original Date of Appointment:</b> December 08, 2022  <b>Change in Designation:</b> December 20, 2022  <b>Period of Directorship:</b> 5 years with effect from December 20, 2022</p>	<p><b>Nil</b></p>
<p><b>VINOD KUMAR</b>  <b>Designation:</b> Non-Executive Independent Director  <b>DIN:</b> 09803828  <b>Date of Birth:</b> September 05, 1996  <b>Age:</b> 26years  <b>Occupation:</b> Professional  <b>Address:</b> Mohabbat Nagar, Sirohi, Rajasthan- 307802  <b>Nationality:</b> Indian  <b>Original Date of Appointment:</b> December 08, 2022  <b>Change in Designation:</b> December 20, 2022  <b>Period of Directorship:</b> 5 years with effect from December 20, 2022</p>	<p><b>Nil</b></p>

#### **Brief Biographies of our Directors**

**Pritesh Yashwantlal Shah** is the Managing Director cum Chairman of our Company, has been on the board since incorporation. He has done B.Sc. in chemistry from Gujarat University. He has experience of

more than 20 years in chemical industry. He is also on the board of directors of our holding company i.e., Yash Chemex Limited.

**Dimple Priteshkumar Shah** is the Whole Time Director of our Company. She has been associated with our Company since 2018. She holds bachelor degree of commerce from Gujarat University. She is also on the board of director of our holding company i.e., Yash Chemex Limited. She has over 3 years of experience with our Company.

**Angee RajendraKumar Shah** is a Non-Executive Independent Director of our Company. She has been associated with our Company since 2019. She holds the bachelor degree of commerce from Gujarat University. She is Company Secretary by profession and also holds a Bachelor’s Degree in Law. She is also an Independent Non-Executive Director of our holding company i.e., Yash Chemex Limited.

**Smit Kumarpal Shah** is a Non-Executive Independent Director of our Company. He is a practicing-chartered accountant and a fellow member of the Institute of Chartered Accountants of India. He is also partner in the firm M/s. Shah & Shah, Chartered Accountant. He has been associated with our Company since December 08, 2022.

**Vinod Kumar** is a Non-Executive Independent Director of our Company. He is a practicing-chartered accountant and a fellow member of the Institute of Chartered Accountants of India. He is also partner in company M/s. S K Y Z & Co, Chartered Accountant. He has been associated with our Company since December 08, 2022.

**Relationship between our Director and KMPs**

Except as mentioned below, as on the date of this Draft Prospectus, none of our directors are related to each other as per section 2(77) of the Companies Act, 2013.

Director	Other Director	Relation
Pritesh Yashwantlal Shah	Dimple Priteshkumar Shah	Husband
Dimple Priteshkumar Shah	Pritesh Yashwantlal Shah	Wife

**Details of any arrangement or understanding with major shareholders, customers, suppliers or others**

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers and none of our Directors and Key Managerial Personnels were appointed pursuant to any arrangement or understanding with any major shareholders, customers, suppliers or others.

**Service contracts with Directors and KMPs**

Our Company do not have any service contract with the Directors and KMPs pursuant to which they are entitled to any benefits upon termination of employment.

**Details regarding directorships of our Directors in listed companies**

None of our Directors is or was a director of any listed companies, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the five (5) years preceding from the date of this Draft Prospectus, during their term of directorship in such company.

None of our Directors is or was, a Directors of any listed companies, which has been or were delisted from any stock exchange(s), during their term of directorship in such Company.

None of our Directors have been or was identified as a wilful defaulter or Fraudulent Borrower. None of our Directors have been declared as a Fugitive Economic Offender.

**Confirmations**

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

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

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by the members at the Annual General Meeting of the Company held on September 27, 2022, pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act and rules made there under, our Board has been authorized to borrow any sum of money from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital and free reserves of our Company, provided that the total outstanding amount so borrowed shall not any time exceed the limit of ₹70 crores.

### **Terms of Appointment and Remuneration to Executive Directors**

**Pritesh Yashwantlal Shah** was appointed as our Managing Director of our Company with effect from December 20, 2022 for a term of five years, pursuant to the resolution dated December 20, 2022. He has been paid ₹ 5 lakhs P.A by our Company in Financial Year 2021-22. Our Company passed a resolution that there will be no change in remuneration of our Managing Director and will remain the same. The details of remuneration as set out below:

Particular	Remuneration
Basic Salary	Not exceeding ₹ 5 lakhs p.a. as decided by the Company
Perquisites	Nil

**Dimple Priteshkumar Shah** was appointed as our Wholetime Director of our Company with effect from December 20, 2022 for a term of five years, pursuant to the resolution dated December 20, 2022. She has been paid ₹ 4 lakhs p.a. by our Company in Financial Year 2021-22. Our Company passed a resolution that there will be no change in remuneration of our Wholetime Director and will remain the same. The details of remuneration as set out below:

Particular	Remuneration
Basic Salary	Not exceeding ₹ 4 lakhs P.A as decided by the Company
Perquisites	Company vehicle provided including all costs in relation thereto

### **Payment or benefit to Non -Executive Directors and Non- Executive Independent Directors of our Company**

Pursuant to the resolution dated December 08, 2022, each Non- Executive Independent Director is entitled to receive sitting fees of ₹ 30,000 per year for attending meetings of the Board and per meeting for attending meetings of board committees. Details of the remuneration paid to the Non- Executive Independent Directors of our Company for the Financial 2022 are as follows

Name of non-executive Directors	Sitting fees (₹)	Commission (₹)	Other remuneration, if any (₹ In Lakhs)
Angee Rajendrakumar Shah	Nil*	Nil	Nil
Smit Shah**	30,000	Nil	Nil
Vinod Kumar**	30,000	Nil	Nil

\*Pursuant to letter dated July 12, 2019, Angee Rajendrakumar Shah is not claiming sitting fees for attending board meeting and committee meeting.

*\*\*Smit Kumarpal Shah and Vinod Kumar are appointed as Non- Executive Independent Directors on December 08, 2022.*

As on date of Draft Prospectus, our Company is not appointed any Non-Executive Non-Independent Director.

### **Remuneration paid or payable to our Directors by our Subsidiaries**

There is no subsidiary of our Company. Hence, none of the Directors of our Company has been paid any remuneration, including any contingent or deferred compensation accrued for Financial Year 2021-22. However, our holding company is paying remuneration to Pritesh Yashwantlal Shah and Dimple Priteshkumar Shah and paying sitting fees to only our Non- Executive Independent Director i.e, Angee Rajendrakumar Shah.

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

As per our Article of Association, our Directors are not required to hold any qualification shares.

As on date of this Draft Prospectus, none of our Directors hold any Equity Shares in our Company.

### **Interest of directors**

Except mentioned below, all our Non- Executive Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and/or committees thereof as approved by our Board, the reimbursement of expenses payable to them, as approved by our Board

Pursuant to letter dated July 12, 2019, Angee Rajendrakumar Shah is not claiming sitting fees for attending board meeting and committee meeting.

Our Executive Directors may be deemed to be interested to the extent of the remuneration payable to each of them by our Company as Directors of our Company. For the shareholding of the Directors, please refer chapter titled **“Our Management – Terms of appointment and Remuneration to Executive Directors”** on page 161 of this Draft Prospectus.

Our Directors may also be interested to the extent of their shareholding in our holding company, and to the extent of any dividend payable to them and other distributions in respect of such shareholding. The table below sets forth details of equity shares held by our Directors in our Holding Company, as on shareholding pattern filed by our Holding Company with BSE quarter ended September 30, 2022

<b>Name of the Director</b>	<b>Entity Type</b>	<b>Number of Equity shares</b>	<b>% of holding</b>
Pritesh Yashwantlal Shah*	Promoter	25,82,170	37.34%
Dimple Priteshkumar Shah	Promoter	8,46,056	8.26%

*\* Includes 12,42,661 equity shares held by Pritesh Y Shah (HUF)*

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 118 of this draft prospectus and in the chapter **“Restated Financial Statement”** on page 186 none of our Directors have any interest in the property acquired or proposed to be acquired by our Company.

Except as stated in **“Restated Financial Statement”** on page 186 and as disclosed in this chapter, 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.

Except as stated in “**Restated Financial Statement -Notes to Related Party Transaction**” on page 186, no loans have been availed or extended by our Directors from, or to, our Company

None of our Directors have any interest in the promotion or formation of our Company.

Our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Company.

Except mentioned below, our Directors do not have any interest (direct or indirect) in any property acquired by our Company in the preceding three years from the date of this Draft Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building and supply of machinery.

The Registered office of our Company will be taken on lease from our Dimple Priteshkumar Shah, Director of our Company once she completes the registration formalities for purchasing the said office. Pending registration of our Registered Office in the name of Dimple Priteshkumar Shah and execution of lease deed, we will continue to carry our business activities from said Registered Office and pay rent as agreed. For more details, please refer to chapter titled “**Risk Factor**” on page 30 of this Draft Prospectus.

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

Except as disclosed above, no amount or benefit has been paid or given since incorporation or is intended to be paid or given to any of our Directors except the remuneration for services rendered and/or sitting fees as Directors.

**Contingent and Deferred Compensation payable to Directors.**

No Director has received or is entitled to any contingent or deferred compensation.

**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 the board of directors in the last three (3) years immediately preceding the date of Draft Prospectus.**

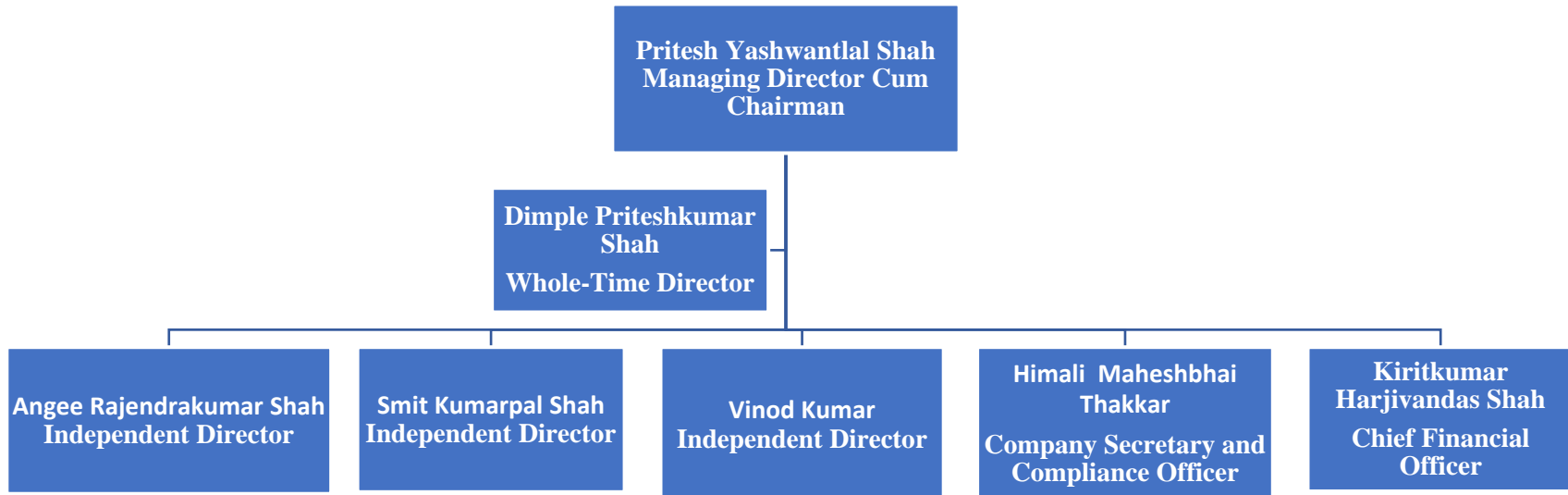
There has been no change in the Board of Directors, except as stated below during the last three (3) years preceding the date of this Draft Prospectus.:

Sr. No	Name	Date	Designation	Reason
1.	Aadish Kalpeshkumar Shah	July 31, 2020	Director	Resignation as Director due to unavoidable circumstances
2.	Bandish Manveshkumar Shah	January 01, 2022	Director	Resignation as Director due to personal and unavoidable circumstances
3.	Pritesh Yashwantlal Shah	December 22, 2022	Managing Director	Appointed as Managing Director
4.	Dimple Priteshkumar Shah	December 22, 2022	Wholetime Director	Appointed as Wholetime Director
5.	Smit Kumarpal Shah	December 20, 2022	Non-Executive Independent Director	Appointed as the Non-Executive Independent Director
6.	Vinod Kumar	December 20, 2022	Non-Executive Independent Director	Appointed as the Non-Executive Independent Director



### **Management Organization Structure**

The following chart depicts our Management Organization Structure



## Corporate Governance

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI Listing Regulations to the extent applicable to the entity whose shares are listed on NSE EMERGE and shall be applicable to us immediately upon the listing of our Equity Shares with the NSE EMERGE. We are in compliance with the requirements of the applicable regulations, including SEBI Listing Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act. The Board functions either as a full board or through various committees constituted to oversee specific functions

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report. We have complied with the requirements of the applicable regulations, including regulations, in respect of Corporate Governance including constitution of the Board and its Committees. The Corporate Governance framework is based on an effective independent board, the Board's supervisory role from the executive management team and constitution of the board committees, as required under law.

### Constitutions of Committees

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act: (i) Audit Committee, (ii) Nomination and Remuneration Committee and (iii) Stakeholders Relationship Committee

#### (i) Audit Committee

Our Company has constituted an Audit Committee as per Section 177 and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 or if any applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines vide resolution passed in the meeting of our Board dated December 22,2022. The constitution of the Audit Committee is as follows:

Name of Director	Position in the Committee	Designation
Angee Rajendrakumar Shah	Chairman	Non-Executive Independent Director
Smit Kumarpal Shah	Member	Non-Executive Independent Director
Vinod Kumar	Member	Non-Executive Independent Director
Pritesh Yashwantlal Shah	Member	Managing Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reason for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

#### Tenure:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

#### **Meetings of the Committee:**

The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two independent members at each meeting.

#### **Role and Powers**

The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:

#### **Role of Audit Committee**

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer Document / Prospectus / Notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. The Audit Committee may 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.
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. 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;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. Statement of deviations:

7. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
8. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**(ii) Nomination and Remuneration Committee**

Our Company has constituted Nomination and Remuneration Committee in terms of Section 178 and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 or if any applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines, in the meeting of the Board of Directors held on December 22, 2022. The Nomination and Remuneration Committee presently consists of the following Directors of the Board.

Name of Director	Position in the Committee	Designation
Smit Kumarpal Shah	Chairman	Non-Executive Independent Director
Angee Rajendrakumar Shah	Member	Non-Executive Independent Director
Vinod Kumar	Member	Non-Executive Independent Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholder's Relationship Committee.

**Tenure:**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**Meetings:**

The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

**Role of Terms of Reference:**

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
2. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of board of directors;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;

7. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
8. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
9. Decide the amount of Commission payable to the Whole Time Directors;
  - Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
  - To formulate and administer the Employee Stock Option Scheme.

**(iii) Stakeholders Relationship Committee**

Our Company has constituted the Stakeholders Relationship Committee in terms of Section 178 sub section (5) and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 or if any applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the meeting of Board of Directors dated December 22, 2022. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

Name of Director	Position in the Committee	Designation	
Smit Kumarpal Shah	Chairman	Non-Executive Director	Independent
Vinod Kumar	Member	Non-Executive Director	Independent
Angee Rajendrakumar Shah	Member	Non-Executive Director	Independent

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholder's Relationship Committee.

**Tenure:**

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

**Meetings:**

The Stakeholders Relationship Committee is required to meet at least once a year and report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

**Terms of Reference:**

Redressal of shareholders' and investors' complaints, including and in respect of:

1. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
3. Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.

4. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
6. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
8. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

**(iv) IPO Committee**

Our Company has formed the IPO Committee of the Act and rules made thereunder vide board resolution dated December 22, 2022. The constituted IPO Committee comprises the following members:

Name of Director	Position in the Committee	Designation
Pritesh Yashwantlal Shah	Chairman	Managing Director
Dimple Priteshkumar Shah	Member	Whole time Director
Angee Rajendrakumar Shah	Member	Non-Executive Independent Director

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

1. to decide in consultation with the LM the actual size of the Issue, and taking on record the number of equity shares, having face value of ₹10 per equity share (the “Equity Shares”), proposed to be Issue and/or reservation on a competitive basis, /or any rounding off in the event of any oversubscription and retail individual investors participating in the Issue and all the terms and conditions of the Issue, including without limitation timing, opening and closing dates of the Issue, matter relating to pre-IPO placement, allocation/ allotment to eligible persons pursuant to the Issue, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto; offer
2. to appoint, instruct and enter into agreements with the LM, and in consultation with LM and enter into agreements with intermediaries, underwriter, syndicate members, brokers, escrow collection bankers, auditor, independent chartered accountant, refund bankers, registrar, legal counsel, depositories, custodians, printers, advertising agency(ies) and any other agencies or persons (including any successors or replacements thereof) whose appointment is required in relation to the Issue and to negotiate and finalize the terms of their appointment, including but not limited to execution of the engagement letters and Issue agreement with the LM, and the underwriting agreement with the underwriters, and to terminate agreements or arrangements with such intermediaries;
3. to finalise, settle, approve, adopt and arrange for submission of the draft prospectus (“DP”), the Prospectus, and any amendments, supplements, notices, clarifications, reply to observations, addenda or corrigenda thereto, to appropriate government and regulatory

- authorities, respective stock exchanges where the Equity Shares are proposed to be listed (“Stock Exchanges”), the Registrar of Companies, Gujarat institutions or bodies;
4. to issue advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Issue in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”), Companies Act, 2013, as amended and other applicable laws;
  5. to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any;
  6. to open separate share escrow account to hold issue Shares from receive application monies from anchor investors in respect of the application amounts and a bank account as the refund account for handling refunds in relation to the issue and in respect of which a refund, if any will be made;
  7. to open account with the bankers to the issue to receive application monies in relation to the issue in terms of Section 40(3) of the Companies Act, 2013, as amended;
  8. to negotiate, finalise, sign, execute and deliver or arrange the delivery of the issue agreement, syndicate agreement, share escrow, cash escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar to the issue, and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the issue, legal advisor, auditor, Stock Exchange, LM and other agencies/ intermediaries in connection with issue with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
  9. to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), Registrar of Companies and such other statutory and governmental authorities in connection with the issue, as required by applicable law, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the Draft Prospectus, and the Prospectus;
  10. to make in-principle and final applications for listing and trading of the Equity Shares on one or more stock exchange, to execute and to deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
  11. to determine and finalize, in consultation with the LM, minimum application for the purpose of application, and the final issue price after issue closure, and to finalize the basis of allocation and to allot the Equity Shares to the successful allottees (including anchor investors) and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws and undertake other matters in connection with or incidental to the issue, including determining the anchor investor portion, in accordance with the SEBI ICDR Regulations;
  12. to issue receipts/ allotment advice/ confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforementioned documents;



13. to do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officials of the Company to execute all or any of the aforesaid documents;
14. to approve the code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy and other corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable law;
15. to seek, if required, the consent and waivers of the parties with whom the Company and/or its subsidiaries have entered into various commercial and other agreements, including but not limited to lenders, lessors, customers, suppliers, strategic/ joint venture partners, all concerned governmental and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue in accordance with the applicable laws;
16. to determine the price at which the Equity Shares are offered, issued, allocated, transferred and/or allotted to investors in the issue in accordance with applicable regulations in consultation with the LM and/or any other advisors, if any, proposed to be offered to eligible categories of investors;
17. to settle all questions, difficulties or doubts that may arise in relation to the issue, as it may in its absolute discretion deem fit;
18. to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the issue;
19. to authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage and remuneration in connection with the issue;
20. to withdraw the Draft Prospectus or to decide not to proceed with the issue at any stage, in consultation with the LM and in accordance with the SEBI ICDR Regulations and applicable laws;
21. to submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies and the relevant stock exchange(s) where the Equity Shares are to be listed; and
22. to authorize and empower officers of the Company (each, an “Authorized Officer(s)”), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer(s) consider necessary, appropriate or advisable, in connection with the issue, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreement(s) with the stock exchange(s), the registrar’s agreement and memorandum of understanding, the depositories’ agreements, the issue agreement with the LM (and other entities as appropriate), the underwriting agreement, the syndicate agreement with the LM and syndicate members, the stabilization agreement, the cash escrow and sponsor bank agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the issue, bankers to the Company, managers, underwriters, escrow agents, accountant, auditor, legal counsel, depositories, advertising agency(ies), syndicate members, brokers, escrow collection bankers, auditor, and all such persons or agencies as may be involved in or concerned with the issue, if any, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the issue by the LM and to do or cause to be done any and all such acts or things that the Authorized Officer(s) may deem necessary,

appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the issue; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

#### **Policy on disclosures and internal procedure for prevention of Insider Trading**

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Emerge platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. The Board of Directors at their meeting held on December 09, 2022 have approved and adopted the policy for prevention of insider trading.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

#### **Policy for determination of materiality and materiality of Related Party Transactions and on dealing with Related Party Transactions**

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on Emerge Platform of NSE. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the Emerge Platform of NSE. The Board of Directors at their meeting held on December 09, 2022 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

#### **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:

##### **Brief Profile of Key Managerial Personnel:**

##### **Himali Maheshbhai Thakkar, Company Secretary & Compliance Officer**

**Himali Maheshbhai Thakkar** aged 32 years, is Company Secretary and Compliance Officer of our Company. She was appointed by our Board of Directors in their meeting held on December 27, 2022. She is an Associate member of the Institute of Company Secretaries of India. She was previously associated with Mahickra Chemicals Limited till April 2022 and further she was also associate with Madhav Renewables Private Limited till September 30, 2022. She has an overall experience of more than 4 years in the field of secretarial and corporate compliance. She will handle secretarial and corporate secretarial and legal department in our Company.

##### **Chief Financial Officer**

Kiritkumar Harjivandas Shah, aged 75 years, is the Chief Financial Officer of our Company. He has been appointed by the Board of Directors of our Company as Chief Financial Officer with effect from December 09, 2022. He holds a Degree of Bachelor of Commerce from Gujarat University. He was appointed as Chief Financial Officer in our holding company i.e., Yash Chemex Limited till August 31, 2022. He has an overall work experience of 6 years in the field of accounts.

##### **Pritesh Yashwantlal Shah, Managing Director**

For the complete profile of Pritesh Yashwantlal Shah, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see heading **“Brief Biographies of our Directors”** in chapter titled **“Our Management”** beginning on of page 161 of this Draft Prospectus.

#### **Dimple Priteshkumar Shah, Whole-Time Director**

For the complete profile of Dimple Priteshkumar Shah along with details of her educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see heading **“Brief Biographies of our Directors”** in chapter titled **“Our Management”** beginning on of page 161 of this Draft Prospectus.

#### **Nature of any family relation between any of the key managerial personnel**

Except as mentioned below, as on the date of this Draft Prospectus, none of our key managerial persons are related to each other as per section 2(77) of the Companies Act, 2013.

Pritesh Yashwantlal Shah is the husband of Dimple Priteshkumar Shah.

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

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as a Key Managerial Personnel.

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

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company.

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

No non-salary related amount or benefit has been paid or given within the two years preceding the date of this Draft Prospectus or is intended to be paid or given to any officer of the Company, including our Directors and Key Managerial Personnel.

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

Except as disclosed above in “Interest of Directors” with respect to the Managing Director and Whole-time Directors and the personal guarantees given by Pritesh Yashwantlal Shah and Dimple Priteshkumar Shah, our Directors for securing our borrowings mentioned in **“Financial Indebtedness”** on page 250, our Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and statutory benefits such as gratuity, provident fund and pension entitled to our Key Managerial Personnel. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares, if any, held by them in the Company.

#### **Service Contracts with Directors and Key Managerial Personnel**

No officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment or superannuation, other than statutory benefits.

#### **Contingent and deferred compensation payable to our Director and Key Managerial Personnel**

There is no contingent or deferred compensation accrued for Financial Year 2022 and payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

#### **Compensation paid to Key Managerial Personnel during last financial year i.e., 2021-22**

For details with respect to the compensation paid to our Key Managerial Personnel during preceding Financial Year 2021-22 please refer to the chapter titled “*Restated Financial Statement*” beginning on page 186 of this Draft Prospectus.

### **Status of Permanent Employment of KMPs**

All the key managerial personnel mentioned above are permanent employees of our Company.

### **Shareholding of the Key Managerial Personnel**

None of our Key Managerial Personnel who holds Equity Shares in our Company as on the date of filing of this Draft Prospectus.

### **Changes in Key Managerial Personnel during preceding Three (3) Years**

Except as mentioned below, there has been no change in Key Managerial Personnel during the last three (3) years preceding the date of this Draft Prospectus:

<b>Name of KMP</b>	<b>Date of Change in Designation / Appointment</b>	<b>Designation</b>	<b>Reason</b>
Pritesh Yashwantlal Shah	December 20, 2022	Managing Director	Appointed as Managing Director
Dimple Priteshkumar Shah	December 20, 2022	Wholetime Director	Appointed as Wholetime Director
Himali Maheshbhai Thakkar	December 27, 2022	Company Secretary	Appointment as Company Secretary and Compliance Officer
KiritKumar Harjivandas Shah	December 09, 2022	Chief Financial Officer	Appointment as Chief Financial Officer

### **Attrition**

None of our key management personnel attrition rate is high as compared to the industry.

### **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 Prospectus.

## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTER

The Promoter of our Company is Yash Chemex Limited. As on the date of this Draft Prospectus, our Promoter holds in aggregate 99,35,400 Equity Shares of face value ₹ 10.00/- each, representing 70.16% of the issued, subscribed and paid-up Equity Share Capital of our Company. For details in relation to the purchase of Equity Shares by Yash Chemex Limited of our Company, see *“Capital Structure – Build-up of the Promoter’s shareholding in our Company”* on page 69.

#### Details of our Promoter

#### Yash Chemex Limited (“YCL”)

#### Corporate information and history

YCL was incorporated on June 03, 2006, at Ahmedabad as "Yash Chemex Private Limited" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat Dadra and Nagar Havelli vide Certificate of Incorporation bearing Corporate Identification Number U24119GJ2006PTC048385. Further the Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra-Ordinary General Meeting of the Company held on January 15, 2016 and the name of the Company was changed to "Yash Chemex Limited". A fresh Certificate of Incorporation consequent upon conversion to public limited company was issued by the RoC on February 15, 2016. The Corporate Identification Number of the Company is L74110GJ2006PLC048385. The Equity Shares of YCL are listed on BSE as on June 20, 2016.

YCL is primarily engaged in the business of importing and trading of dyes, chemicals and intermediates for textile & garment industry, water treatment industry, laminate industry agrochemicals, adhesives, metal industry among others. YCL focuses on basic chemicals such as tobas acid, beta nephthol sulpho tobas acid, J acid, H acid, Bon acid, melamine etc. YCL is a chemicals and dyes trading and distribution company with a diverse product portfolio.

#### Capital Structure

The authorised share capital of YCL is ₹ 11,00,00,000 divided into 1,10,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up equity share capital of YCL is ₹ 10,24,34,250 divided into 1,02,43,425 equity shares of ₹ 10 each.

#### Board of directors:

The board of directors of YCL comprises of the following persons:

- 1) Pritesh Yashwantlal Shah, Managing Director
- 2) Yashwantlal Chhanalal Shah, Chairperson
- 3) Dimple Priteshkumar Shah, Executive Director
- 4) Jinal Dineshbhai Shah, Non-Executive Independent Director
- 5) Rushabh Anilkumar Shah, Non-Executive Independent Director
- 6) Angee Rajendrakumar Shah, Non-Executive Independent Director

The shareholding pattern of YCL as on September 30, 2022, is as follows:

Category (I)	Category of Shareholder (II)	No. 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 No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR,1957 (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (in cl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI =VII +X)	Number of Locked in shares (XII)		No. of shares Pledge d or Other wise Encumbered (XIII)		No. of Equity shares held in Demat Form (XIV)
								No of voting Right	Total as % of (A+B +C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
<b>A</b>	Promoter and Promoter Group	6	62,49,516	--	--	62,49,516	61.01%	62,49,516	61.01%	--	--	--	--	--	--	62,49,516
<b>B</b>	Public	2117	39,93,909	--	--	39,93,909	38.99%	39,93,909	38.99%	--	--	--	--	--	--	39,93,909

<b>C</b>	Non-Promoter Non-Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>C1</b>	Shares Underlying DRs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>C2</b>	Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	<b>Total (A+B+C)</b>	<b>2123</b>	<b>1,02,43,425</b>	<b>--</b>	<b>--</b>	<b>1,02,43,425</b>	<b>100.00%</b>	<b>1,02,43,425</b>	<b>100.00%</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,02,43,425</b>

YCL has not changed its activities from the date of its incorporation.

Our Company confirms that the PAN, CIN (L74110GJ2006PLC048385), bank account number of our Promoter and the details of the registrar of companies, Gujarat Dadra and Nagar Havelli, where our Promoter is registered were submitted to the Emerge Platform of NSE Ltd, at the time of filing of the Draft Prospectus with the Stock Exchange.

#### **CHANGE IN MANAGEMENT AND CONTROL OF OUR COMPANY**

The Company is incorporated on October 17, 2017. Our Promoter is the Original Promoter of the Company and there has not been any change in the management or control of our company since incorporation as on the date of this Draft Prospectus.

For further details, please refer chapter titled “*Capital Structure-Details of shareholding of our Promoter and members of the Promoter Group in our Company*”, beginning on page 69 of this Draft Prospectus. There has been no change in control in the last five years preceding the date of this Draft Prospectus.

#### **INTEREST OF PROMOTER**

Our Promoter is interested in our Company to the extent it has promoted our Company; and to the extent of its shareholding in and control over our Company, dividend payable on such shareholding and other distributions in respect of its Equity Shares, if any. For further details, please refer chapter titled “*Capital Structure-Details of shareholding of our Promoter and members of the Promoter Group in our Company*”, beginning on page 69 of this Draft Prospectus.

Except in the normal course of business and as stated in the “Financial Statement ” on page 186, our Company has not entered into any contract, agreements or arrangements in which our Promoter is directly or indirectly interested, and no payments have been made to our Promoter in respect of the contracts, agreements or arrangements which are proposed to be made with it.

Except as stated in this chapter “*Risk Factors* -We have entered into certain related party transactions, and we may continue to do so in the future” on pages 30 of this Draft Prospectus, YCL does not have any other interest in our Company other than as Promoter.

Our Promoter has no interest, whether direct or indirect, in any property acquired by our Company in the three years preceding the date of this Draft Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc.

No sum has been paid or agreed to be paid by our Company, to our YCL or to such firm or company in cash or shares wherein our YCL is interested as member, or promoter or otherwise as an inducement by any person for services rendered by the Promoter or by such firm or company in connection with the promotion or formation of our Company.

Our Promoter may have any direct interest in any venture that is involved in any activities similar to those conducted by our Company.

#### **Interest in the properties of our Company**

Except as mentioned in the chapters titled “*Business Overview*” and “*Restated Financial Statement*” beginning on pages 118 and 186 respectively of this Draft Prospectus, neither the Promoter nor any member of the Promoter group have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

#### **Interest of Promoter in the Promotion of our Company**

Our Company is currently promoted by the promoter in order to carry on its present business. Our Promoter is interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

#### ***Business Interest***



Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoter are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please refer to heading ***Related Party Transactions*** in the chapter titled ***“Restated Financial Statements”*** on page 186 of this Draft Prospectus.

#### **COMMON PURSUITS OF OUR PROMOTER**

Except for the transactions disclosed please refer to heading ***Related Party Transactions*** in the chapter titled ***“Restated Financial Statements”*** on page 186 of this Draft Prospectus.

Our Company is in business of trading and manufacturing where else our Promoter is in only business of trading activity, at present there is no conflict in relation to such similar business being carried out. Further, our Company and our YCL will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

For details of related business transactions between our Company and our group company, see ***“Financial Information”*** on page 186

#### **PAYMENT OF AMOUNTS OR BENEFITS TO THE PROMOTER OR PROMOTER GROUP DURING THE LAST TWO YEARS**

Except for the transactions disclosed please refer to heading ***Related Party Transactions*** in the chapter titled ***“Restated Financial Statements”*** on page 186 and if any dividends receivable by YCL, no amount or benefit has been paid by our Company to YCL in the two years preceding the date of this Draft Prospectus or is intended to be given, there has been no payment of benefits to our Promoter and members of our Promoter Group during the two years preceding the date of this Draft Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Draft Prospectus.

#### **MATERIAL GUARANTEES**

Our Promoter has not given any material guarantees to any third party with respect to the Equity Shares of our Company.

#### **COMPANIES WITH WHICH OUR PROMOTER HAS DISASSOCIATED IN THE LAST THREE (3) YEARS**

Our Promoter has not disassociated itself from any company or firm in the last three years preceding the date of this Draft Prospectus.

#### **OUR PROMOTER GROUP**

As on date of this Draft Prospectus we do not have any Promoter Group in terms of Regulations 2(1) (pp) of the SEBI (ICDR) Regulations 2018.

#### **SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY**

For details of the shareholding of our Promoter and Promoter Group as on the date of this Draft Prospectus, please refer chapter titled ***“Capital Structure”*** on page 69 of this Draft Prospectus.

#### **OUTSTANDING LITIGATION**

There is no outstanding litigation against our Promoter except as disclosed in the chapters titled ***“Risk Factors”*** and ***“Outstanding Litigations and Material Developments”*** beginning on pages 30 and 256 respectively of this Draft Prospectus.

## **OUR GROUP COMPANIES**

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of group company, our Company has considered those companies as our group company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years & stub period (if any) and other companies as considered material by our Board. Further, pursuant to a resolution of our Board dated December 20, 2022 for the purpose of disclosure in relation to group company in connection with the Issue, a company shall be considered material and disclosed as a group company if such company fulfils both the below mentioned conditions: -

(i) Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI(ICDR)Regulations 2018; and

(ii) Where the Company has entered into one or more transactions with such company in preceding financial or audit period as the case may be exceeding 10.00% of total revenue of the company as per Restated Financial Statements

Based on the above, none of the Companies has been identified as our group company.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The declaration of dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company and any other factors considered by our Board of Directors. The Articles of Association also provides discretion to our Board to declare and pay interim dividends. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer chapter titled “*Financial Indebtedness*” beginning on page 250 of this Draft Prospectus.

All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Draft Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors and shall pay dividends in accordance with the provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association and other Applicable Laws.

Our Company has not declared and/or paid any dividend on the Equity Shares since incorporation.

**SECTION VI – FINANCIAL STATEMENTS**

**RESTATED FINANCIAL STATEMENT**

*[The Remainder of this Page has intentionally been left blank]*

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION**

To,  
The Board of Directors,  
Yasons Chemex Care Limited  
4th floor, 412 Sigma Icon-1,  
132ft Ring Road, Opp. Medilink Hospital,  
Satellite, Ahmedabad,Gujarat- 380015, India

Dear Sirs,

1. We have examined the attached Restated Ind AS Summary Statements of **Yasons Chemex Care Limited** (the “**Company**” or the “**Issuer**”) comprising the Restated Ind AS Statement of Assets and Liabilities as at for the period ended on September 30,2022 and Financial Years ended on March 31, 2022, March 31, 2021,and March 31, 2020, the Restated Ind AS Statement of Profits and Loss (including Other Comprehensive Income), Restated Ind AS Statement of Changes in Equity, Restated Ind AS Cash-flow Statement, the Summary Statement of Significant Accounting Policies and Other Explanatory Information for the period ended on September 30,2022 and Financial Years ended on March 31, 2022, March 31, 2021,and March 31, 2020, (collectively, the “Restated Standalone Financial Information”),as approved by the Board of Directors of the Company at their meeting held on January 01, 2023 for the purpose of inclusion in the Draft Prospectus, and the Prospectus(“Prospectus”), (DP, and Prospectus, collectively the “Offer Documents”) in connection with its proposed Initial Public Offer (“IPO”) of equity shares of the Company , prepared in terms of the requirements of:
  - (a) a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (s amended and any rules issued thereunder (the “**Act**”);
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Ind AS Summary Statements for the purpose of inclusion in the Offer Documents to be filed with Stock Exchange, Registrar of Companies, Gujarat at Ahmedabad, the National Stock Exchange of India Limited (“NSE India”), (“NSE” are collectively
3. referred to as the “Stock Exchanges”) in connection with the Initial Public Offer. The Restated Ind AS Summary Statements have been prepared by the management of the Company on the basis of preparation stated in note no.1(B) to the Restated Ind AS Summary Statements

The responsibility of the Board of Directors includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Summary Statements. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

4. We have examined such Restated Ind AS Summary Statements taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter date December 15, 2022 in connection with the IPO of the Company;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Ind AS Summary Statements; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO of equity shares of the Company.

5. These Restated Ind AS Summary Statements have been compiled by the management from:
  - a) Audited Ind AS financial statements of the Company as at for the period ended on March 31, 2022, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 25, 2022.
  - b) Audited Standalone financial statements as at and for year ended March 31, 2021 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 28, 2021.
  - c) Audited Standalone financial statements as at and for year ended March 31, 2020 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 03, 2020.
6. For the purpose of our examination, we have relied on: the Auditor's report issued by us dated May 25, 2022 on the Audited Ind AS financial statements as at and for the year ended 31 March, 2022 as referred in Paragraph 4a above.

7. Based on our examination and according to the information and explanations given to us we report that the Restated Ind AS Summary Statements:
- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the respective financial years to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended March 31, 2022
  - b) They do not contains any extra-ordinary items that needs to be disclosed separately except as shown in the Restated Financial Information
  - c) do not contain any qualification requiring adjustments; and
  - d) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
  - e) There are no revaluation reserves, which needs to be disclosed separately in the Restated Financial Statement.
  - f) Adjustment for any material amounts in the respective financial years have been made to which they relate;
  - g) There are no qualifications in the Audit Report issued by us for the financial year/period ended on September 30, 2022, March 31, 2022, 2021 and 2020 which would require adjustments in this Restated Financial Statement of the Company.
  - h) The Company has not paid dividend on its equity shares during the reporting period
8. The Restated Ind AS Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited Ind AS financial statements and audited special purpose Ind AS financial statements mentioned in paragraph 4 above.
9. We have also examined the following Restated financial information of the Company set out in the Annexure as prepared by the management and approved by the Board of Directors on of the company for the financial year/period ended September 30, 2022, March 31 2022, March 31 2021 and March 31 2020 proposed to be included in the Draft Prospectus / Prospectus ("Offer Document") for the proposed SME IPO:

- Annexure – 1: Significant Accounting Policies and
- Annexure - 2: Property Plant & Equipments
- Annexure - 3: Capital Work In Progress
- Annexure - 4: Restated Statement of Non-current Investment
- Annexure - :5 Restated Statement of Non Current loan
- Annexure - 6: Restated Statement of Other Financial Asset
- Annexure - 7: Restated Statement of Deferred Tax Asset/Liability
- Annexure - 8: Restated Statement of Other Non-Current Asset
- Annexure - 9: Restated Statement of Inventory
- Annexure - 10: Restated Statement of Trade Receivable
- Annexure – 11A: Restated Statement of Cash and Cash Equivalentts
- Annexure – 11B: Restated Statement of Bank balances
- Annexure - 12: Restated Statement of Other Current Assets
- Annexure - 13: Restated Statement of Equity Share Capital
- Annexure - 14: Other Equity
- Annexure - 15: Restated Statement of Non-current Borrowing

Annexure - 16: Restated Statement of Non-Current Provision  
 Annexure - 17: Restated Statement of Current Borrowing  
 Annexure - 18: Restated Statement of Trade Payable  
 Annexure - 19: Restated Statement of Other Current Liability  
 Annexure - 20: Restated Statement of Current Provision  
 Annexure - 21: Restated Statement of Current Tax Liabilities (Net)  
 Annexure - 22: Restated Statement of Revenue from Operation  
 Annexure - 23: Restated Statement of Other Income  
 Annexure-24: Restated Statement of Cost of Material Consumed  
 Annexure - 25: Restated Statement of Changes in Inventories of Finished Goods,  
 Annexure - 26: Restated Statement of Employee Benefit Expenses  
 Annexure - 27: Restated Statement of Finance Cost  
 Annexure – 28 : Restated Statement of Depreciation and Amortization Expense  
 Annexure – 29 : Restated Statement of Other Expenses  
 Annexure - 30: Restated Statement of Estimated amount of contracts remaining to be executed on capital account and not provided  
 Annexure - 31: Restated Statement of Contingent Liabilities  
 Annexure - 32: Restated Statement of EPS  
 Annexure - 33: Restated Statement of Remuneration paid to Director  
 Annexure - 34: Restated Statement of Remuneration paid to Auditor  
 Annexure - 35: Restated Statement of Gratuity  
 Annexure - 36: Restated Statement of Related Party Disclosure  
 Annexure - 37: Restated Statement of MSME  
 Annexure - 38: Restated Statement of Earning Expenditure in Foreign Currency  
 Annexure - 39: Restated Statement of Additional Regulatory Information  
 Annexure - 40: Restated Statement of Accounting Ratio as per Company Act  
 Annexure - 41: Restated Statement of Capitalization Statement  
 Annexure - 42: Restated Statement of Accounting Ratio  
 Annexure - 43 Restated Statement of Corporate Social Responsibility expenditure  
 Annexure - 44: Restated Statement of Financial Risk Management  
 Annexure - 45: Restated Statement of Capital Management  
 Annexure - 46: Restated Statement of Regrouping

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit report issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with the Stock Exchanges and the Registrar of Companies, Gujarat at Ahmedabad in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent.



**For, H S K & CO LLP  
Chartered Accountants  
FRN: 117014W/W100685**

**CA Sudhir S. Shah  
Partner  
M. No. 115947  
UDIN: 23115947BGWPYY4055**

**Place: Ahmedabad  
Date: January 01,2023**

**YASONS CHEMEX CARE LIMITED**

**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in lakhs)

Particulars	Notes	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Assets</b>					
<b>I. Non-current assets</b>					
(a) Property, plant and equipment	2	56.63	61.68	74.64	56.00
(b) Capital work-in-progress	3	-	-	-	0.76
(c) Right-of-use assets		-	-	-	-
(d) Financial assets					
(i) Non Current Investment	4	614.37	515.20	434.83	-
(ii) Loans	5	88.57	220.79	211.64	232.41
(iii) Other Financial Asset	6	20.28	19.66	19.63	3.14
(e) Deferred Tax Asset (net)	7	1.28	1.04	1.30	0.50
(f) Other non-current assets	8	1.68	1.68	1.77	-
		<b>782.82</b>	<b>820.05</b>	<b>743.81</b>	<b>292.81</b>
<b>II. Current assets</b>					
(a) Inventories	9	515.72	410.90	212.38	203.33
(b) Financial assets					
(i) Investments		-	-	-	-
(ii) Trade Receivables	10	1,415.17	1,235.01	1,393.26	990.84
(iii) Cash and cash equivalent	11A	2.37	5.70	10.18	24.88
(iv) Bank balances other than(iii) above	11B	-	-	0.31	-
(v) Other Financial Asset		-	-	-	-
(c) Other current assets	12	307.81	307.62	198.31	546.22
		<b>2,241.08</b>	<b>1,959.23</b>	<b>1,814.45</b>	<b>1,765.26</b>
<b>Total assets</b>		<b>3,023.90</b>	<b>2,779.28</b>	<b>2,558.26</b>	<b>2,058.07</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
(a) Equity share capital	13	590.08	590.08	590.08	590.08
(b) Other equity	14	1,407.18	1,138.49	942.86	817.06
<b>Total Equity</b>		<b>1,997.26</b>	<b>1,728.57</b>	<b>1,532.94</b>	<b>1,407.14</b>
<b>Liabilities</b>					
<b>I. Non-current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings	15	71.69	65.12	59.00	41.71
(b) Provisions	16	0.62	0.47	0.49	0.85
		<b>72.31</b>	<b>65.59</b>	<b>59.49</b>	<b>42.56</b>
<b>II. Current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings	17	235.90	216.28	210.04	4.45
(ii) Lease Liabilities		-	-	-	-
(iii) Trade payables	18				
Total outstanding dues of micro enterprise and small enterprise		150.98	-	33.96	120.68
Total outstanding dues of creditors other than micro enterprise and small enterprise		423.54	585.96	526.89	320.41
(b) Other current liabilities	19	64.20	159.85	160.98	137.82
(c) Provisions	20	0.00	0.00	0.00	0.00
(d) Current Tax Liabilities (Net)	21	79.71	23.02	33.96	25.02
		<b>954.33</b>	<b>985.13</b>	<b>965.82</b>	<b>608.38</b>
<b>Total equity and liabilities</b>		<b>3,023.90</b>	<b>2,779.28</b>	<b>2,558.26</b>	<b>2,058.08</b>
Significant accounting policies	1	0.00	0.00	0.00	0.01

The above statement should be read with Statement of Notes to the Restated Financial Information

As per our attached report of even dates

**As per our Report of even date attached.**

**For, H S K & Co LLP**

**Chartered Accountants**

**Firm Regd. No.117014W/W100685**

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

**For, Yasons Chemex Care Limited**

S/d  
Sudhir S. Shah

S/d  
CS Himali Thakkar

S/d  
Kiritbhai H. Shah

S/d  
Pritesh Y. Shah

S/d  
Dimple P. Shah

Partner

(Company Secretary)

(Chief Financial Officer)

(Managing Director  
cum Chairman)

(Whole-time  
Director)

(M. No. 115947)

UDIN: 23115947BGWPPY4055

Place : Ahmedabad

Date : January 01,2023

(DIN: 00239665)

(DIN: 06914755)

Place : Ahmedabad

Date : January 01,2023

**YASONS CHEMEX CARE LIMITED**

**RESTATED STATEMENT OF PROFITS AND LOSSES**

(Rs. in lakhs)

Sr No	Particulars	Notes	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
I	Revenue from operations	22	1,199.86	2,505.19	1,777.36	1,940.97
II	Other income	23	271.73	111.81	27.42	20.58
III	<b>Total revenue</b>		<b>1,471.59</b>	<b>2,617.01</b>	<b>1,804.79</b>	<b>1,961.55</b>
IV	<b>Expenses</b>					
	Cost of material consumed	24	771.77	1,608.97	1,248.80	974.82
	Purchases of stock-in-trade		400.10	633.89	282.39	838.70
	Change in inventories of finished goods	25	(71.15)	13.19	(8.06)	(60.61)
	Employee benefits expense	26	7.88	16.46	7.57	14.01
	Finance costs	27	17.73	35.56	23.08	5.32
	Depreciation and amortisation expenses	28	5.06	12.94	14.90	11.77
	Other expenses	29	14.03	44.88	54.49	19.81
	<b>Total expenses</b>		<b>1,145.43</b>	<b>2,365.89</b>	<b>1,623.17</b>	<b>1,803.82</b>
V	<b>Profit/(Loss) before taxes</b>		<b>326.16</b>	<b>251.12</b>	<b>181.62</b>	<b>157.73</b>
VI	<b>Tax Expenses :</b>					
	Current Tax		57.50	44.55	46.50	37.00
	Tax Adjustment for earlier years					
	Deferred tax charge\credit		(0.19)	0.19	(0.95)	3.44
	Tax In Respect of Earlier Years		-	10.97	10.73	1.78
VII	<b>Profit/(Loss) for the year</b>		<b>268.85</b>	<b>195.41</b>	<b>125.35</b>	<b>115.51</b>
VIII	<b>Other Comprehensive Income</b>					
	(A) Items that will not be reclassified to Statement of Profit and Loss		-	-	-	-
	(i) Defined benefit Plan liability / asset		0.20	(0.29)	(0.61)	-
	(ii) Tax impact on above item		(0.05)	0.07	0.15	-
	(B) Items that will be reclassified to Statement of Profit and Loss		-	-	-	-
	<b>Total Other Comprehensive Income (After Tax)</b>		<b>0.15</b>	<b>(0.22)</b>	<b>(0.46)</b>	<b>-</b>
IX	<b>Total Comprehensive Income</b>		<b>268.70</b>	<b>195.63</b>	<b>125.80</b>	<b>115.51</b>
X	<b>Earning per Equity Share</b>					
	Basic & Diluted (Amount in Rs)		1.90	1.38	0.89	0.82
	<b>Notes to Accounts</b>	<b>1-48</b>				

The above statement should be read with Statement of Notes to the Restated Financial Information  
As per our attached report of even date

As per our Report of even date attached.

For, H S K & Co LLP

Chartered Accountants

Firm Regd. No.117014W/W100685

For and on behalf of the Board of Directors

S/d

Sudhir S. Shah

Partner

(M. No. 115947)

UDIN: 23115947BGWPPY4055

Place : Ahmedabad

Date : January 01,2023

S/d

CS Himali Thakkar

(Company Secretary)

S/d

Kiritbhai H. Shah

(Chief Financial Officer)

S/d

Pritesh Y. Shah

(Managing Director  
cum Chairman)

(DIN: 00239665)

S/d

Dimple P. Shah

(Whole-time Director)

(DIN: 06914755)

Place : Ahmedabad

Date : January 01,2023

YASONS CHEMEX CARE LIMITED

RESTATED STATEMENT OF CASH FLOWS

(Rs. in lakhs)

Particulars	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax	326.16	251.12	181.62	157.73
<u>Adjustments for:</u>				
Add : Depreciation and amortisation	5.06	12.94	14.90	11.77
Provision for Expected Credit Loss	0.50	(0.88)	(0.73)	(7.30)
Finance Cost	17.73	35.56	23.08	5.32
Share of Profit from Investment In LLP	(99.17)	(80.37)	0.00	-
Interest Income	(4.94)	(19.67)	(18.83)	19.84
Interest Expenses		-	-	
(Profit)/Loss on sales of assets		-	-	
<b>Operating Profit before Working Capital Changes</b>	<b>245.34</b>	<b>198.70</b>	<b>200.05</b>	<b>187.35</b>
<u>Adjustments for:</u>				
Inventories	(104.84)	(198.52)	(9.05)	(132.28)
Trade Receivables	(180.66)	148.20	(411.67)	(128.43)
(Increase)/Decrease in Other current financial assets , other current assets , Loans (Current + Non Current)	131.40	(118.08)	350.10	-316.28
Trade payables & Provisions	(11.49)	25.38	120.01	210.86
Increase/(Decrease) in other current financial liabilities, other current liabilities , Provisions (Current + Non Current)	(95.66)	(1.12)	29.00	137.63
<b>Cash Generated from Operations</b>	<b>(15.91)</b>	<b>54.56</b>	<b>278.44</b>	<b>(41.15)</b>
Less : Direct Taxes paid	(0.81)	(55.48)	(37.56)	(11.98)
<b>Net Cash generated from operating activities (i)</b>	<b>(16.72)</b>	<b>(0.92)</b>	<b>240.87</b>	<b>(53.12)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipments (Net)	-	(0.04)	(33.53)	14.62
Proceeds\ (Purchase) from sale of investments	-	-	(434.83)	-
Interest Income	4.94	19.67	18.83	(19.84)
<b>Net cash generated from investing activities (ii)</b>	<b>4.94</b>	<b>19.63</b>	<b>(449.53)</b>	<b>(5.21)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest Expense	(17.73)	(35.56)	(23.08)	(4.20)
Proceeds from Non-current and Current borrowings (Net)	26.18	12.37	217.04	41.71
Repayment of other Financial Liabilities	-	-	-	-
Buy Back of Shares	-	-	-	-
<b>Net cash generated from financial activities (iii)</b>	<b>8.45</b>	<b>(23.19)</b>	<b>193.96</b>	<b>37.51</b>
<b>Net change in cash and cash equivalents (i+ii+iii)</b>	<b>(3.33)</b>	<b>(4.48)</b>	<b>(14.70)</b>	<b>(20.82)</b>
Cash and cash equivalents* at the beginning of the year	5.70	10.18	24.88	45.70
<b>Cash and cash equivalents at the end of the year*</b>	<b>2.37</b>	<b>5.70</b>	<b>10.18</b>	<b>24.88</b>
<b>*Cash &amp; cash equivalents includes:</b>				
Cash in hand	2.37	5.70	3.25	0.19
Balances with Scheduled Bank	-	-	6.93	24.70
Fixed Deposit With Banks( having remaining maturity period less than 3 months from the reporting date)	-	-	-	-

The above statement should be read with Statement of Notes to the Restated Financial Information  
As per our attached report of even dates

For, H S K & Co LLP  
Chartered Accountants  
Firm Regd. No.117014W/W100685

For and on behalf of the Board of Directors

S/d  
Sudhir S. Shah  
Partner  
(M. No. 115947)  
UDIN: 23115947BGWPYY4055  
Place : Ahmedabad  
Date : January 01,2023

S/d  
CS Himali Thakkar  
(Company Secretary)

S/d  
Kiritbhai H. Shah  
(Chief Financial Officer)

S/d  
Pritesh Y. Shah  
(Managing Director cum (Whole-time Director)  
(DIN: 00239665)

S/d  
Dimple P. Shah  
(DIN: 06914755)

Place : Ahmedabad  
Date : January 01,2023

**YASONS CHEMEX CARE LIMITED**

**RESTATED STATEMENT OF CHANGES IN EQUITY**

**A. Equity Share Capital**

FY 2022-23 (Half Year Ended September 30,2022)

(Rs. in lakhs)

Balance at the beginning of the current reporting period i.e. 01/04/2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period i.e. September 30,2022
590.08	-	-	-	590.08

FY 2021-22

(Rs. in lakhs)

Balance at the beginning of the current reporting period i.e. 01/04/2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period i.e. 31/03/2022
590.08	-	-	-	590.08

FY 2020-21

Balance at the beginning of the current reporting period i.e. 01/04/2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period i.e. 31/03/2021
590.08	-	-	-	590.08

FY 2019-20

Balance at the beginning of the current reporting period i.e. 01/04/2019	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period i.e. 31/03/2020
590.08	-	-	-	590.08

**B. Other Equity**

FY 2022-23 (Half Year Ended September 30,2022)

(Rs. in lakhs)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Security Premium	Retained earnings	Defined benefit Plan liability / asset	
<b>Balance as at 1st April, 2022</b>	601.76	536.05	0.67	<b>1,138.49</b>
Add/Less : On Account of changes in accounting policy or prior period errors	-	-	-	-
<b>Restated Balance as at 1st April, 2022</b>	601.76	536.05	0.67	<b>1,138.49</b>
<b>Total Comprehensive Income for the year</b>				
Dividend paid	-	-	-	-
Transfer to Retained Earnings	-	268.85	-	268.85
Other Comprehensive Income (Net of Taxes)	-	-	(0.15)	(0.15)
<b>Balance as at September 30,2022</b>	<b>601.76</b>	<b>804.90</b>	<b>0.52</b>	<b>1,407.18</b>

FY 2021-22

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Security Premium	Retained earnings	Defined benefit Plan liability / asset	
<b>Balance as at 1st April, 2021</b>	601.76	340.64	0.46	<b>942.86</b>
Add/Less : On Account of changes in accounting policy or prior period errors	-	-	-	-
<b>Restated Balance as at 1st April, 2021</b>	601.76	340.64	0.46	<b>942.86</b>
<b>Total Comprehensive Income for the year</b>				
Dividend paid	-	-	-	-
Transfer to Retained Earnings	-	195.41	-	<b>195.41</b>
Other Comprehensive Income (Net of Taxes)	-	-	0.22	<b>0.22</b>
<b>Balance as at 31st March, 2022</b>	<b>601.76</b>	<b>536.05</b>	<b>0.67</b>	<b>1,138.49</b>

FY 2020-21

(Rs. in lakhs)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Security Premium	Retained earnings	Defined benefit Plan liability / asset	
<b>Balance as at 1st April, 2020</b>	601.76	215.30	-	<b>817.06</b>
Add/Less : On Account of changes in accounting policy or prior period errors	-	-	-	-
<b>Restated Balance as at 1st April, 2020</b>	601.76	215.30	-	<b>817.06</b>
<b>Total Comprehensive Income for the year</b>				
Dividend paid	-	-	-	-
Transfer to Retained Earnings	-	125.35	-	<b>125.35</b>
Other Comprehensive Income (Net of Taxes)	-	-	0.46	<b>0.46</b>
<b>Balance as at 31st March, 2021</b>	<b>601.76</b>	<b>340.64</b>	<b>0.46</b>	<b>942.86</b>

FY 2019-20

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Security Premium	Retained earnings	Defined benefit Plan liability / asset	
<b>Balance as at 1st April, 2019</b>	601.76	99.79	-	<b>701.55</b>
Add/Less : On Account of changes in accounting policy or prior period errors	-	-	-	-
<b>Restated Balance as at 1st April, 2019</b>	601.76	99.79	-	<b>701.55</b>
<b>Total Comprehensive Income for the year</b>				
Dividend paid	-	-	-	-
Transfer to Retained Earnings	-	115.51	-	<b>115.51</b>
Other Comprehensive Income (Net of Taxes)	-	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>601.76</b>	<b>215.30</b>	-	<b>817.06</b>

The above statement should be read with Statement of Notes to the Restated Financial Information  
As per our attached report of even dates

For, H S K & Co LLP  
Chartered Accountants  
Firm Regd. No.117014W/W100685

For and on behalf of the Board of Directors

S/d  
Sudhir S. Shah  
Partner  
(M. No. 115947)  
UDIN: 23115947BGWPYY4055  
Place : Ahmedabad  
Date : January 01,2023

S/d  
CS Himali Thakkar  
Company Secretary  
S/d  
Kiritbhai H. Shah  
Chief Financial Officer  
DIN :

S/d  
Pritesh Y. Shah  
(Managing Director cum  
Chairman)  
(DIN: 00239665)  
S/d  
Dimple P. Shah  
(Whole-time Director)  
(DIN: 06914755)  
Place : Ahmedabad  
Date : January 01,2023

YASONS CHEMEX CARE LIMITED

Statement of Notes to the Restated Financial Information

Note No:- 2  
Property, Plant and Equipments

Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 01-04-2022	Addition / Adjustments Rs.	Deduction Adjustments Rs.	As at 30-09-22	As at 01-04-2022	Depreciation For the year Rs.	Deduction Adjustments Rs.	As at 30-09-22	As at 30-09-22	As at 31-03-2022
Computer	3.03	-	-	3.03	2.84	-	-	2.84	0.19	0.19
Factory Building	8.42	-	-	8.42	1.60	-	-	1.60	6.81	6.81
Furniture & Fixtures	0.06	-	-	0.06	0.01	-	-	0.01	0.05	0.05
Plant & Machinery	66.74	-	-	66.74	19.91	5.05	-	24.97	41.77	46.82
Vehicle	35.05	-	-	35.05	27.25	-	-	27.25	7.80	7.80
<b>Total</b>	<b>113.30</b>	<b>-</b>	<b>-</b>	<b>113.30</b>	<b>51.62</b>	<b>5.05</b>	<b>-</b>	<b>56.67</b>	<b>56.63</b>	<b>61.68</b>

(Rs. in lakhs)

(Rs. in lakhs)

Note No:- 2.1  
Property, Plant and Equipments

Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 01-04-2021	Addition / Adjustments Rs.	Deduction / Adjustments Rs.	As at 31-03-2022	As at 01-04-2021	Depreciation For the year Rs.	Deduction / Adjustments Rs.	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
Computer	3.03	-	-	3.03	2.67	0.17	-	2.84	0.19	0.36
Factory Building	8.42	-	-	8.42	0.89	0.71	-	1.60	6.81	7.52
Furniture & Fixtures	0.06	-	-	0.06	0.01	0.01	-	0.01	0.05	0.05
Plant & Machinery	66.81	0.10	0.17	66.74	11.52	8.48	0.09	19.91	46.82	55.28
Vehicle	35.10	-	-	35.05	23.68	3.57	-	27.25	7.80	11.42
<b>Total</b>	<b>113.41</b>	<b>0.10</b>	<b>0.17</b>	<b>113.30</b>	<b>38.78</b>	<b>12.94</b>	<b>0.09</b>	<b>51.62</b>	<b>61.68</b>	<b>74.64</b>



YASONS CHEMEX CARE LIMITED

Statement of Notes to the Restated Financial Information  
 Note No:- 2.2  
 Property, Plant and Equipments

(Rs. in lakhs)

Particulars	GROSS BLOCK			As at 31-03-2021	DEPRECIATION BLOCK			NET BLOCK		
	As at 01-04-2020	Addition / Adjustments Rs.	Deletion / Adjustments Rs.		As at 01-04-2020	For the Year	Deletion / Adjustments year	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Computer	2.94	0.09	-	3.03	2.11	0.56	-	2.67	0.36	0.83
Factory Building	8.42	-	-	8.42	0.10	0.79	-	0.89	7.52	8.31
Furniture & Fixtures	0.06	-	-	0.06	-	0.01	-	0.01	0.05	0.06
Plant & Machinery	33.37	33.44	-	66.81	3.17	8.35	-	11.52	55.28	30.19
Vehicle	35.10	-	-	35.10	18.50	5.18	-	23.68	11.42	16.60
<b>Total</b>	<b>79.89</b>	<b>33.53</b>	<b>-</b>	<b>113.41</b>	<b>23.89</b>	<b>14.89</b>	<b>-</b>	<b>38.78</b>	<b>74.64</b>	<b>56.00</b>

YASONS CHEMEX CARE LIMITED

Statement of Notes to the Restated Financial Information  
Note No:- 2.3  
Property, Plant and Equipments

(Rs. in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK		
	As at 01-04-2019	Addition / Adjustments Rs.	Deletion / Adjustments Rs.	As at 31-03-2020	As at 01-04-2019	For the Year	Deletion / Adjustments year	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Computer	2.44	0.50	-	2.94	1.19	0.92	-	2.11	0.83	1.25
Factory Building	-	8.42	-	8.42	-	0.10	-	0.10	8.31	-
Furniture & Fixtures	-	0.06	-	0.06	-	-	-	-	0.06	-
Plant & Machinery	-	33.37	-	33.37	-	3.17	-	3.17	30.19	-
Vehicle	35.10	-	-	35.10	10.93	7.57	-	18.50	16.60	24.17
<b>Total</b>	<b>37.54</b>	<b>42.34</b>	<b>0.00</b>	<b>79.89</b>	<b>12.12</b>	<b>11.77</b>	<b>0.00</b>	<b>23.89</b>	<b>56.00</b>	<b>25.42</b>

Note No:- 3  
Capital work-in-progress

(Rs. in lakhs)

Particulars	As at 01-04-2020	Addition / Adjustments Rs.	Capitalised during the Period Rs.	As at 31-03-2021
Factory Building (WIP)	-	-	-	-
Plant & Machinery	0.76	-	0.76	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note No:- 3.1  
Capital work-in-progress

Particulars	As at 01-04-2019	Addition / Adjustments Rs.	Capitalised during the Period Rs.	As at 31-03-2020
Factory Building (WIP)	8.42	-	8.42	-
Plant & Machinery	20.07	0.76	20.07	0.76
<b>Total</b>	<b>28.48</b>	<b>0.76</b>	<b>28.49</b>	<b>0.76</b>

Additional disclosures as per Schedule -III requirement:

CWIP Aging Schedule

Amount in CWIP for a period of	March 31, 2022 Amount in Rs.	March 31, 2021 Amount in Rs.	March 31, 2020 Amount in Rs.
Less than 1 Year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	March 31, 2022 Amount in Rs.	March 31, 2021 Amount in Rs.	March 31, 2020 Amount in Rs.
Projects temporarily suspended	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

(Rs. in lakhs)

4	Non-Current Investments	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	<b>Other Investments , Unquoted</b>				
	Capital Contributions in Subsidiary LLP (Investment at Cost)	614.37	515.20	434.83	-
	Rishit Polysurf LLP				
	<b>Total</b>	<b>614.37</b>	<b>515.20</b>	<b>434.83</b>	<b>-</b>

5	Non-Current loans	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	<b>Unsecured and considered good</b>				
	Loans to Others*	88.57	220.79	211.64	232.41
	<b>Total</b>	<b>88.57</b>	<b>220.79</b>	<b>211.64</b>	<b>232.41</b>

\* Loans given @ 6% to 12% p.a

5A	Particulars	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Champak Chemicals Pvt. Ltd.	20.60	21.08	20.00	-
	Raviraj Packers	0.73	24.73	22.32	20.09
	Shreenathji Infraspace LLP	46.59	154.98	169.32	205.18
	Dimple P Shah	20.65	-	-	-
	Yogeshwar Enterprise	-	20.00	-	-
	R K Enterprise	-	-	-	7.14
	<b>Total</b>	<b>88.57</b>	<b>220.79</b>	<b>211.64</b>	<b>232.41</b>

6	Other Financial Asset	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	<b>Security deposits</b>				
	Security Deposits	3.07	3.07	3.67	3.14
	Bank deposits with more than 12 months maturity (Balance held as Margin Money)	17.21	16.59	15.96	-
	<b>Total</b>	<b>20.28</b>	<b>19.66</b>	<b>19.63</b>	<b>3.14</b>

6A	Particulars	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Abhin Pharmaceuticals - Deposit	0.43	0.43	0.43	0.43
	Bhavna S Mehta Rent Deposit	0.46	0.46	0.46	0.46
	Bhawanishankar S. Somani - Deposit (Vatva Shed)	1.50	1.50	1.50	1.50
	Ecom Express Pvt Ltd (Deposit)	0.20	0.20	0.20	0.20
	Security Deposit for Barcode	0.03	0.03	0.03	0.03
	Security Deposit for ISIN Number	0.45	0.45	0.45	0.45
	Amit Dhirajlal Shah	-	-	0.16	0.07
	Jigar Dhirajlal Shah	-	-	0.17	-
	SHV Energy Pvt Ltd	-	-	0.27	-
	<b>Total</b>	<b>3.07</b>	<b>3.07</b>	<b>3.67</b>	<b>3.14</b>

6B	Particulars	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Small Industrial Development Bank Of India - SIDBI	17.21	16.59	15.96	-

7	Deferred Tax Assets /(Liabilities)	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	1.28	1.04	0.76	-
	Allowance for Expected Credit Loss on Trade Receivables	-	-	0.54	0.50
	Leases	-	-	-	-
	<b>Total</b>	<b>1.28</b>	<b>1.04</b>	<b>1.30</b>	<b>0.50</b>

The tax impact for the above purpose has been arrived by applying a Income tax rate of 25.17% (Including Cess & Surcharge) being the prevailing tax rate for Indian companies under the Income Tax Act, 1961.

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

**7A Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate**

Particulars	For the year ended September 30,2022	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Accounting profit before tax</b>	<b>326.16</b>	<b>251.12</b>	<b>181.62</b>	<b>157.73</b>
<b>Tax rate</b>	<b>25.168%</b>	<b>25.168%</b>	<b>25.168%</b>	<b>25.168%</b>
<b>Tax as per IT Act on above</b>	<b>82.09</b>	<b>63.20</b>	<b>45.71</b>	<b>39.70</b>
<b>Tax expenses (P&amp;L)</b>				
(i) Current tax	57.50	44.55	46.50	37.00
(ii) Deferred tax	-0.19	0.19	-0.95	3.44
(iii) Taxation in respect of earlier years	-	10.97	10.73	1.78
	57.31	55.71	56.27	42.22
<b>Difference</b>	<b>(24.78)</b>	<b>(7.49)</b>	<b>10.56</b>	<b>2.53</b>
<b>Tax reconciliation</b>				
<b>Adjustments:</b>				
Effect of permanent adjustments				
Effect of Temporary Adjustments:				
Effect of expenses not allowed for tax purpose	10.6	12.94	14.9	13.04
Effect of Income not considered for tax purpose & Other deductible expenses	(9.99)	(11.84)	(12.62)	(25.06)
Effect of Impact of earlier year tax	-	10.97	10.73	1.78
Effect of Related to Deferred Tax Balances	(0.24)	0.26	(0.80)	3.44
Effect of Other Items	(25.15)	(19.82)	(1.55)	9.10
	-24.78	-7.49	10.65	2.31

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

(Rs. in lakhs)

8	Other Non Current Assets	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	<b>Unsecured and considered good</b>		-	-	-
	Advances for Capital Goods Supplier	1.68	1.68	1.77	-
	<b>Total</b>	<b>1.68</b>	<b>1.68</b>	<b>1.77</b>	-

9	Inventories	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Raw material	321.71	288.03	76.33	75.34
	Work-in-Process	0.23	14.37	8.18	1.32
	Finished Stock	155.73	86.64	101.94	20.71
	Stores & Others	13.02	18.31	25.23	13.45
	Stock in Trade	25.03	3.54	0.70	92.52
	<b>Total</b>	<b>515.72</b>	<b>410.90</b>	<b>212.38</b>	<b>203.33</b>

10	Trade receivables	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	<b>Trade Receivables (Unsecured)</b>				
	Considered Good	1415.17	1,235.01	1,393.26	990.83
	Credit impaired	0.89	0.39	1.27	2.00
		1,416.07	1,235.40	1,394.53	992.83
	Less: Allowance for Expected Credit Loss	(0.89)	(0.39)	(1.27)	(2.00)
	<b>Total</b>	<b>1,415.17</b>	<b>1,235.01</b>	<b>1,393.26</b>	<b>990.84</b>

10A	Trade receivables	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Current trade receivables	1415.17	1235.01	1393.26	990.84

10B	Trade Receivables ageing schedule	Outstanding for following periods from due date of Payment as on September 30,2022				
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
	(i) Undisputed Trade receivables – considered good	1,253.49	161.69	-	-	-
	(ii) Undisputed Trade Receivables – Which have significant credit risk	-	-	-	-	-
	(ii) Undisputed Trade Receivables – Credit impaired	-	-	-	-	-
	(iii) Disputed Trade Receivables considered good	-	-	-	-	-
	(iv) Disputed Trade Receivables - Which have significant credit risk	-	-	-	-	-
	(iv) Disputed Trade Receivables - Credit impaired	-	-	-	-	-

10C	Trade Receivables ageing schedule	Outstanding for following periods from due date of Payment as on 31/03/2022				
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
	(i) Undisputed Trade receivables – considered good	1,182.57	32.29	20.15	-	-
	(ii) Undisputed Trade Receivables – Which have significant credit risk	-	-	-	-	-
	(ii) Undisputed Trade Receivables – Credit impaired	0.38	0.01	-	-	-
	(iii) Disputed Trade Receivables considered good	-	-	-	-	-
	(iv) Disputed Trade Receivables - Which have significant credit risk	-	-	-	-	-
	(iv) Disputed Trade Receivables - Credit impaired	-	-	-	-	-

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

10D	Trade Receivables ageing schedule	Outstanding for following periods from due date of Payment as on 31/03/2021				
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
	(i) Undisputed Trade receivables – considered good	1,232.73	160.53	-	-	-
	(ii) Undisputed Trade Receivables – Which have significant credit risk	-	-	-	-	-
	(ii) Undisputed Trade Receivables – Credit impaired	0.40	0.87	-	-	-
	(iii) Disputed Trade Receivables considered good	-	-	-	-	-
	(iv) Disputed Trade Receivables - Which have significant credit risk	-	-	-	-	-
	(iv) Disputed Trade Receivables - Credit impaired	-	-	-	-	-

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

(Rs. in lakhs)

10E	Trade Receivables ageing schedule	Outstanding for following periods from due date of Payment as on 31/03/2020				
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
	(i) Undisputed Trade receivables – considered good	971.52	17.32	-	-	-
	(ii) Undisputed Trade Receivables – Which have significant credit risk	-	-	-	-	-
	(ii) Undisputed Trade Receivables – Credit impaired	-	2.00	-	-	-
	(iii) Disputed Trade Receivables considered good	-	-	-	-	-
	(iv) Disputed Trade Receivables - Which have significant credit risk	-	-	-	-	-
	(iv) Disputed Trade Receivables - Credit impaired	-	-	-	-	-

11A	Cash and cash equivalent	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	<b>Cash and cash equivalents</b>				
	Cash on hand	2.37	5.70	3.25	0.19
	Balances with banks	-	-	6.93	24.70
	Fixed Deposit With Banks( having remaining maturity period less than 3 months from the reporting date)	-	-		
	<b>Total</b>	<b>2.37</b>	<b>5.70</b>	<b>10.18</b>	<b>24.88</b>

11B	Bank balances other than 11A Cash and cash equivalent above	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Fixed Deposit With Banks( having remaining maturity period less than 12 months from the reporting date)	-	-	-	-
	Deposit with Bank against Bank Guarantee	-	-	0.31	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.31</b>	<b>-</b>

12	Other Current Assets	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Prepaid Expenses	1.35	1.35	1.84	2.39
	Advances to Suppliers Other than Capital Advance	60.00	1.00	30.14	171.48
	Balances with Statutory Authorities	-	1.85	2.77	2.78
	Others	246.46	303.41	163.57	369.57
	<b>Total</b>	<b>307.81</b>	<b>307.62</b>	<b>198.31</b>	<b>546.22</b>

12A	Particulars	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Rishit Polysurf LLP	246.46	303.41	163.57	21.79
	Advance for Capital Goods	-	-	-	347.78
	<b>Total</b>	<b>246.46</b>	<b>303.41</b>	<b>163.57</b>	<b>369.57</b>

13	Equity Share Capital	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	<b>[i] Authorised Share Capital:</b>				
	66,00,000 Equity shares of Rs. 10 each as at September 30,2022, March 31,2022 ,March 31, 2021, March 31,2020	660.00	660.00	660.00	660.00
	<b>[ii] Issued, Subscribed &amp; Paid-up Capital :</b>				
	5900800 equity shares of Rs. 10 each fully paid as at September 30,2022, March 31,2022 ,March 31, 2021, March 31,2020	590.08	590.08	590.08	590.08
		<b>590.08</b>	<b>590.08</b>	<b>590.08</b>	<b>590.08</b>

YASONS CHEMEX CARE LIMITED

Statement of Notes to the Restated Financial Information

(Rs. in lakhs)

13	Particulars	As At September 30,2022	As At March 31,2022	As At March 31,2021	As At March 31,2020
	<b>Share Capital:</b>				
	Authorised share capital 66,00,000 Equity shares of Rs. 10 each.	660.00	660.00	660.00	660.00
	<b>Issued, subscribed and fully paid up capital:</b>				
	5900800 equity shares of Rs. 10 each fully paid	590.08	590.08	590.08	590.08
	<b>Total</b>	<b>590.08</b>	<b>590.08</b>	<b>590.08</b>	<b>590.08</b>

(a)	Reconciliation of number of shares Outstanding	As At September 30,2022		As At March 31,2022		As At March 31,2021		As At March 31,2020	
		Number	(Rs.)	Number	(Rs.)	Number	(Rs.)	Number	(Rs.)
	Shares outstanding at the beginning of the year	5,900,800.00	590.08	5,900,800.00	590.08	5,900,800.00	590.08	5,900,800.00	590.08
	Shares issued during the year	-	-	-	-	-	-	-	-
	Less: Shares brought back during the year	-	-	-	-	-	-	-	-
	<b>Shares outstanding at the end of the year</b>	<b>5,900,800.00</b>	<b>590.08</b>	<b>5,900,800.00</b>	<b>590.08</b>	<b>5,900,800.00</b>	<b>590.08</b>	<b>5,900,800.00</b>	<b>590.08</b>

Rights, preferences and restrictions attached to equity shares

The company has only one class of equity shares having a par value of Rs.10/- per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each shareholder is eligible to one vote per share held. Voting rights can not be exercised in respect of shares on which any call or other sums presently payable have not been paid. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Details of shares held by Promoters

Name of the shareholders/promoter	As At September 30,2022			As At March 31,2022			As At March 31,2021			As At March 31,2020		
	No. of shares	Percentage of share holding	Percentage change during the year	No. of shares	Percentage of share holding	Percentage change during the year	No. of shares	Percentage of share holding	Percentage change during the year	No. of shares	Percentage of share holding	Percentage change during the year
Yash Chemex Limited (Parent Company)	3454750	58.55%	3.80%	3,230,750	54.75%	3.45%	3,027,000	51.30%	0.00%	3,027,000	51.30%	-
Raj V Shah	1000	0.02%	0.00%	1,000	0.02%	0.00%	1,000	0.02%	0.00%	1,000	0.02%	-
Ronak J Mehta	1000	0.02%	0.00%	1,000	0.02%	0.00%	1,000	0.02%	0.00%	1,000	0.02%	-
Rahul M Shah	1000	0.02%	0.00%	1,000	0.02%	0.00%	1,000	0.02%	0.00%	1,000	0.02%	-
Komal K Shah	62500	1.06%	-0.68%	10,500	1.74%	0.00%	10,500	1.74%	0.00%	10,500	1.74%	-
<b>Total</b>												

(c) Details of share held by shareholders holding more than 5% of the aggregate shares in the company

Name of the shareholders/promoter	As At September 30,2022		As At March 31,2022		As At March 31,2021		As At March 31,2020	
	No. of shares	Percentage of share holding	No. of shares	Percentage of share holding	No. of shares	Percentage of share holding	No. of shares	Percentage of share holding
Yash Chemex Limited (Parent Company)	3,454,750.00	0.59	3,230,750.00	51.30	3,027,000.00	51.30	3,027,000.00	51.30
<b>Total</b>	<b>3,454,750.00</b>	<b>0.59</b>	<b>3,230,750.00</b>	<b>51.30</b>	<b>3,027,000.00</b>	<b>51.30</b>	<b>3,027,000.00</b>	<b>51.30</b>



**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

14	Other Equity	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	<b>Security Premium</b>				
	Balance as per last financial Statement	601.76	601.76	601.76	601.76
	Add : During the year		-	-	
	<b>Closing Balance</b>	<b>601.76</b>	<b>601.76</b>	<b>601.76</b>	<b>601.76</b>
	<b>Retained Earnings</b>				
	<b>Profit and Loss:</b>				
	Opening Balance	536.05	340.64	215.30	99.79
	Add : Profit for the year	268.85	195.41	125.35	115.51
	<b>Balance as per last financial Statement (a)</b>	<b>804.90</b>	<b>536.05</b>	<b>340.64</b>	<b>215.30</b>
	<b>Other Comprehensive Income :</b>				
	Opening Balance	0.67	0.46	-	-
	(i) Defined benefit Plan liability / asset	(0.20)	0.29	0.61	-
	(ii) Tax impact on above item	0.05	(0.07)	(0.15)	-
	<b>Balance as per last financial Statement (b)</b>	<b>0.52</b>	<b>0.67</b>	<b>0.46</b>	<b>-</b>
	<b>Closing Balance (a) +(b)</b>	<b>805.42</b>	<b>536.73</b>	<b>341.10</b>	<b>215.30</b>
	<b>Total</b>	<b>1,407.18</b>	<b>1,138.49</b>	<b>942.86</b>	<b>817.06</b>

15	Non Current borrowings	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Secured Borrowing from Banks	71.69	65.12	59.00	41.71
	<b>Total</b>	<b>71.69</b>	<b>65.12</b>	<b>59.00</b>	<b>41.71</b>

15A	Particulars	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	HDFC Bank Car EMI - Mercedes	10.07	12.14	16.11	15.67
	HDFC Bank Car EMI - TUV	-	3.81	4.91	5.36
	SIDBI- Machinery Loan	21.87	30.13	37.98	-
	ICICI Bank - Term Loan	-	19.04	-	-
	Bajaj Finserve Limited	-	-	-	-
	ICICI Bank - Term Loan New	39.75	-	-	-
	HDFC Bank Limited	-	-	-	20.68
	<b>Total</b>	<b>71.69</b>	<b>65.12</b>	<b>59.00</b>	<b>41.71</b>

16	Non Current Provisions	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Provisions of Gratuity	0.62	0.47	0.49	0.85
	<b>Total</b>	<b>0.62</b>	<b>0.47</b>	<b>0.49</b>	<b>0.85</b>

17	Current borrowings	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	<b>Secured Borrowing from Banks</b>				
	Payable on Demand	199.69	198.49	199.75	-
	Current Maturity of long term borrowings	36.21	17.80	10.29	4.45
	<b>Total</b>	<b>235.90</b>	<b>216.28</b>	<b>210.04</b>	<b>4.45</b>

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

17A	Particulars	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Axis Bank Limited	199.69	198.49	199.75	-
	<b>Total</b>	<b>199.69</b>	<b>198.49</b>	<b>199.75</b>	<b>-</b>

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

(Rs. in lakhs)

18	Trade payables	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	(i) Outstanding dues to Micro and small Enterprises	150.98	-	33.96	120.68
	(ii) Outstanding dues of creditors other than Micro and small Enterprises	423.54	585.96	526.89	320.41
	<b>Total</b>	<b>574.52</b>	<b>585.96</b>	<b>560.85</b>	<b>441.09</b>

Note: There is no interest due on outstanding dues to micro and small enterprises during the year ended March 31, 2022; March 31,2021 and March 31, 2020 and Half Year Ended September 30,2022

18A	Trade payables	September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Considered as Current	574.52	585.96	560.85	441.09
	Considered as Non Current	-	-	-	-
	<b>Total</b>	<b>574.52</b>	<b>585.96</b>	<b>560.85</b>	<b>441.09</b>

18B	TRADE PAYABLES AGEING SCHEDULE	Outstanding for following periods from due date of payment as on September 30,2022				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	<b>Trade Payables</b>					
	(i) MSME	150.98	-	-	-	150.98
	(ii) Others	380.16	42.77	0.61	-	423.54
	(iii) Disputed dues – MSME	-	-	-	-	-
	(iv) Disputed dues - Others	-	-	-	-	-
	<b>Total</b>	<b>531.14</b>	<b>42.77</b>	<b>0.61</b>	-	<b>574.52</b>

18C	TRADE PAYABLES AGEING SCHEDULE	Outstanding for following periods from due date of payment as on 31/03/2022				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	<b>Trade Payables</b>					
	(i) MSME	-	-	-	-	-
	(ii) Others	585.33	0.61	0.02	-	585.96
	(iii) Disputed dues – MSME	-	-	-	-	-
	(iv) Disputed dues - Others	-	-	-	-	-
	<b>Total</b>	<b>585.33</b>	<b>0.61</b>	<b>0.02</b>	-	<b>585.96</b>

18D	TRADE PAYABLES AGEING SCHEDULE	Outstanding for following periods from due date of payment as on 31/03/2021				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	<b>Trade Payables</b>					
	(i) MSME	33.96	-	-	-	33.96
	(ii) Others	526.87	0.02	-	-	526.89
	(iii) Disputed dues – MSME	-	-	-	-	-
	(iv) Disputed dues - Others	-	-	-	-	-
	<b>Total</b>	<b>560.83</b>	<b>0.02</b>	-	-	<b>560.85</b>

18E	TRADE PAYABLES AGEING SCHEDULE	Outstanding for following periods from due date of payment as on 31/03/2020				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	<b>Trade Payables</b>					
	(i) MSME	120.68	-	-	-	120.68
	(ii) Others	158.02	162.39	-	-	320.41
	(iii) Disputed dues – MSME	-	-	-	-	-
	(iv) Disputed dues - Others	-	-	-	-	-
	<b>Total</b>	<b>278.70</b>	<b>162.39</b>	-	-	<b>441.09</b>

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

(Rs. in lakhs)

19	<b>Other Current Liabilities</b>	<b>September 30,2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	Advance Received from customer	60.84	159.11	159.94	136.86
	Statutory dues payable	3.36	0.74	1.04	0.96
	<b>Total</b>	<b>64.20</b>	<b>159.85</b>	<b>160.98</b>	<b>137.82</b>

20	<b>Current Provisions</b>	<b>September 30,2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	Provisions of Gratuity	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

21	<b>Current Tax Liabilities (Net)</b>	<b>September 30,2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	Provision For Income tax (Net)	79.71	23.02	33.96	25.02
	<b>Total</b>	<b>79.71</b>	<b>23.02</b>	<b>33.96</b>	<b>25.02</b>

YASONS CHEMEX CARE LIMITED

Statement of Notes to the Restated Financial Information

(Rs. in lakhs)

22	Revenue from operations	Half Year Ended September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Sale of Product	1,199.86	2,505.19	1,777.36	1,940.97
	<b>Total</b>	<b>1,199.86</b>	<b>2,505.19</b>	<b>1,777.36</b>	<b>1,940.97</b>

22.1	Revenue from operations	Half Year Ended September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	<b>Manufacturing Sales</b>				
	<b>a) Dyes and Pigments Paste</b>	800.15	1,787.28	1,332.68	1,040.55
	<b>b) FMCG products</b>				
	i) Hair Oil	-	-	0.06	0.39
	ii) Sanitizer	0.90	36.30	97.31	29.85
	iii) Perfume	-	8.67	3.92	0.94
	iv) Soap	0.02	18.32	35.87	5.36
	<b>Trading Sales</b>				
	<b>a) Dyes and Pigments Paste</b>	398.79	654.62	307.53	863.88
	<b>b) FMCG products</b>				
	i) Hair Oil	-	-	-	-
	ii) Sanitizer	-	-	-	-
	iii) Perfume	-	-	-	-
	iv) Soap	-	-	-	-
	<b>Total</b>	<b>1,199.86</b>	<b>2,505.19</b>	<b>1,777.37</b>	<b>1,940.97</b>

23	Other income	Half Year Ended September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Share of Profit from Investment In LLP	99.17	80.37	3.15	-
	Commission Income	45.17	10.58	4.68	-
	Foreign Exchange Gain	-	-	0.50	-
	Interest Income	4.94	19.67	18.83	19.84
	Other Income	122.44	1.20	0.27	0.75
	<b>Total</b>	<b>271.73</b>	<b>111.81</b>	<b>27.42</b>	<b>20.58</b>

24	Cost of materials consumed	Half Year Ended September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Inventory at the beginning of the year	288.03	76.33	75.34	3.67
	Add: Purchase	805.45	1,820.67	1,249.79	1,046.49
	Less: Inventory at the end of the year	321.71	288.03	76.33	75.34
	<b>Total</b>	<b>771.77</b>	<b>1,608.97</b>	<b>1,248.80</b>	<b>974.82</b>

25	Change in Inventories of Finish Goods	Half Year Ended September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Closing Stock Of Finish Goods	194.01	122.86	136.05	127.99
	Less:- Opening Stock Of Finish Goods	122.86	136.05	127.99	67.38
	<b>Total</b>	<b>(71.15)</b>	<b>13.19</b>	<b>(8.06)</b>	<b>(60.61)</b>

26	Employee benefits expense	Half Year Ended September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Director Remuneration	4.50	9.00	-	3.50
	Gratuity Provisions	(0.05)	0.27	0.25	0.85
	Salary, wages and Bonus	3.43	7.19	7.32	9.66
	<b>Total</b>	<b>7.88</b>	<b>16.46</b>	<b>7.57</b>	<b>14.01</b>

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

<b>27</b>	<b>Finance costs</b>	<b>Half Year Ended September 30,2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	Interest Paid to Banks & Financial Institutions	15.62	27.79	13.18	2.64
	Interest Paid to Others	1.17	2.86	3.70	1.13
	Interest expense on financial liability recognised at amortised cost	-	-	-	1.12
	(as per effective interest rate method)	0.95	4.91	6.21	0.43
	<b>Total</b>	<b>17.73</b>	<b>35.56</b>	<b>23.08</b>	<b>5.32</b>

<b>28</b>	<b>Depreciation and amortisation expenses</b>	<b>Half Year Ended September 30,2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	Depreciation of property, plant and equipment (refer note 2)	5.05	12.94	14.89	11.77
	Amortisation of right-of-use asset (refer note 4)	-	-	-	-
	<b>Total</b>	<b>5.06</b>	<b>12.94</b>	<b>14.90</b>	<b>11.77</b>

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

29	Other expenses	(Rs. in lakhs)			
		Half Year Ended September 30,2022	March 31, 2022	March 31, 2021	March 31, 2020
	Auditor's Remuneration	-	1.25	1.25	1.00
	Electricity Charges	0.54	1.17	1.58	0.89
	Foreign Exchange Gain	-	2.18	-	-
	Insurance Charges	1.02	2.51	2.13	1.72
	Printing & Stationery & Postage Expenses	0.05	0.30	1.25	0.50
	Travelling & Conveyance Expenses	-	0.07	1.81	0.63
	Vehicle Exp. (Car)	-	0.88	0.49	1.18
	Labour Expenses	0.06	1.25	7.38	1.07
	Rent, Rates, & Taxes	1.49	9.42	16.86	9.76
	Repair & Maintenance - Building	-	-	-	0.55
	Repair & Maintenance - Computers & Electricals	-	-	0.12	0.94
	Repair & Maintenance - Machinery	-	0.32	1.27	-
	Repair & Maintenance - Vehicle	0.26	0.70	0.06	-
	Legal & Professional Fees Charges	2.04	2.70	3.31	2.78
	Transport Charges	1.16	6.13	4.77	3.18
	Allowances \ (Reversal) of Expected Credit Loss	0.50	(0.88)	(0.73)	(7.30)
	Factory Expense	0.42	8.67	3.16	-
	Sales & Marketing Expense	5.89	7.17	8.08	-
	Other Expenses	0.60	1.04	1.71	2.91
	<b>Total</b>	<b>14.03</b>	<b>44.88</b>	<b>54.49</b>	<b>19.81</b>

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

30 Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL

31 **Contingent Liabilities**

(Rs. in lakhs)

Guarantees/LC	As at 30/09/2022	As at 31/03/2022	As at 31/03/2022	As at 31/03/2022
Income Tax Demand online for A.Y. 2018-19	0.43	-	-	-
TDS Default Demand online for A.Y. 2020-21	0.02	-	-	-

32 **Earnings Per Share (EPS):**

The numerators and denominators used to calculate Basic Earnings per Share:

(Rs. in lakhs except number of Shares)

Particulars	30-09-22	2021-22	2020-21	2019-20
Profit available to Equity Shareholders After Tax / Deferred Tax (Rs.)	268.70	195.63	125.80	115.51
Weighted Average No. of Equity Shares Outstanding	5,900,800.00	5,900,800.00	5,900,800.00	5,900,800.00
Bonus Shares Issued (14 shares for Every 10 Eq Shares held) 14:10	8,261,120.00	8,261,120.00	8,261,120.00	8,261,120.00
Weighted Average No. of Equity Shares Outstanding as adjusted for bonus issue - Post Bonus	14,161,920.00	14,161,920.00	14,161,920.00	14,161,920.00
	1.90	1.38	0.89	0.82
Nominal Value of Equity Shares (Rs.)	10.00	10.00	10.00	10.00
Basic Earnings Per Share (Rs.)	4.55	3.32	2.13	1.96

The equity shares and basic/diluted earnings per share has been presented to reflect the adjustments for issue of bonus shares subsequent to 30 September 2022 in accordance with Ind AS 33 - Earnings per Share.

33 **Remuneration paid to Directors:**

(Rs. in lakhs)

Particulars	30-09-22	2021-22	2020-21	2019-20
Aadish Kalpeshbhai Shah	-	-	-	3.50
Bandish M Shah	-	-	0.20	-
Pritesh Yashwantbhai Shah	2.50	5.00	-	-
Dimple Pritesh Shah	2.00	4.00	-	-
<b>Total</b>	<b>4.50</b>	<b>9.00</b>	<b>0.20</b>	<b>3.50</b>

34 **Auditors' Remuneration:**

(Rs. in lakhs)

Particulars	30-09-22	2021-22	2020-21	2019-20
For Audit Fees	-	1.25	1.25	1.00
For Professional Fees	-	-	-	0.40
<b>Total</b>	<b>0.00</b>	<b>1.25</b>	<b>1.25</b>	<b>1.40</b>



**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

35 Following disclosures are required as per IND AS - 19, Employee benefites in respect of Gratuity:

(Rs. in lakhs)

<b>Present Value of Benefit Obligations - Changes over the valuation period</b>	<b>9/30/2022</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>
Present Value of Benefit Obligation beginning of the year	0.47	0.49	0.85	-
Current Service cost	(0.07)	0.23	0.19	0.85
Interest cost	0.02	-	-	-
Benefits paid	-	0.03	0.06	-
Actuarial losses (gains) arising from change in financial assumptions	0.00	(0.03)	0.00	-
Actuarial losses (gains) arising from change in demographic assumptions	-	-	-	-
Actuarial losses (gains) arising from experience adjustments	0.20	(0.26)	(0.61)	-
Present Value of Benefit Obligation on year end (Rs.)	0.62	0.47	0.49	0.85
<b>Bifurcation of Present Value of Benefit Obligation</b>				
Current - Amount due within one year	0.00	0.00	0.00	0.00
Non-Current - Amount due after one year	0.62	0.47	0.49	0.85
<b>Total</b>	<b>0.62</b>	<b>0.47</b>	<b>0.49</b>	<b>0.85</b>
<b>Expected Benefit Payments in Future Years</b>				
Year 1	0.00	0.00	0.00	0.00
Year 2	0.00	0.00	0.00	0.00
Year 3	0.00	0.00	0.00	0.00
Year 4	0.00	0.00	0.00	0.03
Year 5	0.05	0.03	0.04	0.07
Year 6 to 10	0.23	0.19	0.21	0.37
<b>Sensitivity Analysis - Effects of Key Assumptions on Defined Benefit Obligations</b>				
Discount Rate - 0.5 percent increase	0.59	0.44	0.46	0.79
Discount Rate - 0.5 percent decrease	0.66	0.50	0.53	0.91
Salary Escalation Rate - 0.5 percent increase	0.66	0.50	0.52	0.90
Salary Escalation Rate - 0.5 percent decrease	0.59	0.44	0.46	0.80
Withdrawal Rate - 110 percent increase	0.61	0.46	0.48	0.83
Withdrawal Rate - 90 percent decrease	0.64	0.48	0.50	0.86
<b>Changes in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets beginning of the year	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Company Contributions	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gains / (losses)	-	-	-	-
Fair Value of Plan Assets on year end(Rs.)	-	-	-	-
<b>Asset Category of Plan Assets</b>				
Government of India Securities	0%	0%	0%	0%
High quality corporate bonds	0%	0%	0%	0%
Equity shares of listed companies	0%	0%	0%	0%
Property	0%	0%	0%	0%
Funds managed by Insurance Company	0%	0%	0%	0%
Cash / Bank Balance	0%	0%	0%	0%

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

(Rs. in lakhs)

<b>Present Value of Benefit Obligations - Changes over the valuation period</b>	<b>9/30/2022</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>
<b>Balance Sheet - Amount to be recognised</b>				0
Present Value of Benefit Obligation on year end	0.62	0.47	0.49	0.85
Fair Value of Plan Assets on year end	-	-	-	-
<b>Net Liability / (Asset) recognised in Balance Sheet</b>	<b>0.62</b>	<b>0.47</b>	<b>0.49</b>	<b>0.85</b>
<b>Profit and Loss statement</b>				
Current Service cost	(0.07)	0.24	0.19	0.85
Net interest on net Defined Liability / (Asset)	0.02	0.03	0.06	-
Expenses recognised in Statement of Profit and Loss	(0.05)	0.27	0.25	0.85
<b>Other Comprehensive Income</b>				
Actuarial (Gains) / Losses on Liability	0.20	(0.29)	(0.61)	-
Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset)' above	-	-	-	-
<b>Total</b>	<b>0.20</b>	<b>(0.29)</b>	<b>(0.61)</b>	<b>-</b>

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

**36 Related Party Disclosures:**

Disclosure as per IND AS - 24 "Related Party Disclosure" are as follows:

**I. Nature of Relationship**

**A) Holding Company:**

1. Yash Chemex Limited

**B) Key Management Personnel:**

1. Pritesh Yashwantbhai Shah
2. Dimple Pritesh Shah
3. Aadish Kalpeshbhai Shah

**C) Entities over which KMP and their Relatives are able to exercise significant influence or control**

1. Yash Chem
2. Yashwantlal C. Shah HUF
3. Pritesh Y. Shah HUF
4. Yash Corporation
5. Ronak Mehta (Proprietor of RI CHEM)
6. Rahul Shah (Proprietor of RK Enterprise)

**D) Relative of Key Management**

1. Komal Kalpeshbhai Shah
2. Kalpeshbhai Shah
3. Paxal P. Shah
4. Yashwant C. Shah
5. Chandrikaben Y. Shah

**II. Particulars of transactions with related parties:**

(Rs. in lakhs)

Sr.No	Name of Related Party	Relation	Nature	Transactions During Half Year Ended September 30,2022	Transactions FY 2021-22	Transactions FY 2020-21	Transactions FY 2019-20
1	Yash Chemex Limited	Holding Company	Purchase	140.39	326.05	498.36	631.76
2	Yash Chemex Limited	Holding Company	Sales	42.58	128.03	111.90	25.60
3	Yash Chemex Limited	Holding Company	Investment in Equity Shares	80.64	73.35	-	9.00
4	Yash Chem	Entities over which KMP and their Relatives are able to exercise significant influence or control	Purchase	27.06	119.54	65.29	404.51
5	Yash Chem	Entities over which KMP and their Relatives are able to exercise significant influence or control	Sales	50.57	33.88	68.37	-
6	Pritesh Yashwantbhai Shah	Directors,Key Management Personnel	Remuneration	3.10	5.00	-	-
7	Dimple Pritesh Shah	Directors,Key Management Personnel	Remuneration	3.77	4.00	-	-
8	Dimple Pritesh Shah	Directors,Key Management Personnel	Loans Given	28.03	-	-	-
9	Dimple Pritesh Shah	Directors,Key Management Personnel	Loans Received Back	7.38	-	-	-
10	Aadish Kalpeshbhai Shah	Directors,Key Management Personnel	Remuneration	-	-	-	3.50
11	Aadish Kalpeshbhai Shah	Directors,Key Management Personnel	Borrowings Repayment	-	-	-	2.22
12	Yash Corporation	Entities over which KMP and their Relatives are able to exercise significant influence or control	Purchase	35.25	129.06	158.37	163.71
13	Yash Corporation	Entities over which KMP and their Relatives are able to exercise significant influence or control	Sales	11.60	78.60	107.41	0.06
14	Rishit Polysurf LLP	Entities over which KMP and their Relatives are able to exercise significant influence or control	Purchase	164.23	180.98	0.07	-
15	Rishit Polysurf LLP	Entities over which KMP and their Relatives are able to exercise significant influence or control	Sales	5.80	17.85	4.00	-
16	Rishit Polysurf LLP	Entities over which KMP and their Relatives are able to exercise significant influence or control	Loans Given	-	139.84	141.78	21.79
17	Rishit Polysurf LLP	Entities over which KMP and their Relatives are able to exercise significant influence or control	Loan Received Back	56.95	-	-	-
18	Ronak Mehta (Proprietor of RI CHEM)	Entities over which KMP and their Relatives are able to exercise significant influence or control	Purchase	259.63	374.11	122.83	23.20
19	Ronak Mehta (Proprietor of RI CHEM)	Entities over which KMP and their Relatives are able to exercise significant influence or control	Sales	49.66	252.89	73.69	178.34
20	Ronak Mehta (Proprietor of RI CHEM)	Entities over which KMP and their Relatives are able to exercise significant influence or control	Loan Received Back	-	-	-	55.25
21	Ronak Mehta (Proprietor of RI CHEM)	Entities over which KMP and their Relatives are able to exercise significant influence or control	Interest Income	-	-	-	0.93
22	Rahul Shah (Proprietor of RK Enterprise)	Entities over which KMP and their Relatives are able to exercise significant influence or control	Purchase	7.28	12.96	53.24	80.64
23	Rahul Shah (Proprietor of RK Enterprise)	Entities over which KMP and their Relatives are able to exercise significant influence or control	Sales	81.57	40.89	115.57	0.34
24	Rahul Shah (Proprietor of RK Enterprise)	Entities over which KMP and their Relatives are able to exercise significant influence or control	Loan Received Back	-	-	7.14	31.58
25	Rahul Shah (Proprietor of RK Enterprise)	Entities over which KMP and their Relatives are able to exercise significant influence or control	Interest Income	-	-	-	1.39
26	Rahul Shah (Proprietor of RK Enterprise)	Entities over which KMP and their Relatives are able to exercise significant influence or control	Interest Income	-	-	-	1.39

YASONS CHEMEX CARE LIMITED

Statement of Notes to the Restated Financial Information

iii. Outstanding Balances at the year end of related parties						(Rs. in lakhs)
Sr.No	Name of Related Party	Relation	Outstanding Balance as at 30/09/2022	Outstanding Balance as at 31/03/2022	Outstanding Balance as at 31/03/2021	Outstanding Balance as at 31/03/2020
1	Yash Chemex Limited	Holding Company	(45.12)	(44.17)	(333.13)	6.30
2	Yash Chem	Entities over which KMP and their Relatives are able to exercise significant influence or control	151.95	177.31	169.92	(394.72)
3	Yash Corporation	Entities over which KMP and their Relatives are able to exercise significant influence or control	179.38	-	-	-
4	Rishit Polysurf LLP	Entities over which KMP and their Relatives are able to exercise significant influence or control	(22.60)	-	-	-
5	Rishit Polysurf LLP	Entities over which KMP and their Relatives are able to exercise significant influence or control	246.46	303.41	163.57	21.79
6	Ronak Mehta (Proprietor of RJ CHEM)	Entities over which KMP and their Relatives are able to exercise significant influence or control	(38.85)	161.80	86.05	228.78
7	Rahul Shah (Proprietor of RK Enterprise)	Entities over which KMP and their Relatives are able to exercise significant influence or control	14.56	19.80	84.75	13.07

Statement of Notes to the Restated Financial Information

37 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (Rs. in lakhs)

Sr.No	Particulars	(Rs. in lakhs)			
		September 30, 2022 Amount in Rs.	March 31, 2022 Amount in Rs.	March 31, 2021 Amount in Rs.	March 31, 2020 Amount in Rs.
1	(a) (i) the principal amount remaining unpaid to any supplier at the end of each accounting year;	-	-	33.96	120.68
2	(a) (ii) interest due thereon remaining unpaid to any supplier at the end of each accounting year;	NIL	NIL	NIL	NIL
3	(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL	NIL	NIL
4	(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	NIL	NIL	NIL	NIL
5	(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL	NIL	NIL
6	(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL	NIL	NIL

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors other than shown above at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

38 Earnings and Expenditure in Foreign Currency (Rs. in lakhs)

Particulars	9/30/2022	2021-22	2020-21	2019-20
<b>Earnings:-</b>				
Export Income	-	-	-	-
<b>Expenditure:-</b>				
Consultancy Charges	-	-	-	-

CIF value of Imports (Rs. in lakhs)				
Particulars	9/30/2022	2021-22	2020-21	2019-20
(A) I. Raw Materials	-	-	-	-
II. Components and Spare Parts	-	-	-	-
(B) Capital Goods	-	-	-	-

Statement of Notes to the Restated Financial Information

39 Additional Regulatory Information:

(i) Title deeds of Immovable Property not held in name of the	The title deeds of immovable property (other than lease hold property ) held in the name of company during FY 2021-22.
(ii) Capital-Work-in Progress (CWP)	Refer Note No.3
(iii) Intangible assets under	There is no any intangible assets under development hence this clause is not applicable.
(iv) Details of Benami Property held	There is no proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder hence this clause is not applicable.
(v) Wilful Defaulter	Any bank or financial Institution or other lender is not declared company as Wilful Defaulter in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India till date hence this clause is not applicable to the said company.
(vi) Relationship with Struck off Companies	There is no relationship with struck off companies. Hence, this clause is not applicable.
(vii) Registration of charges or satisfaction with Registrar of Companies	The Company is regularly updated with ROC for any registration or satisfaction of charges.
(viii) Compliance with number of layers of companies	This clause is not applicable to the said company.
(ix) Ratio Calculations	Refer following table for details
(x) Compliance with approved Scheme(s) of Arrangements	This clause is not applicable.
(xi) Utilisation of Borrowed funds and share premium	No such advanced or loaned or invested funds by company

40 Ratios as per the Schedule III requirement of Companies Act, 2013:

Ratios	Denominator	As at September 30,2022 (A)	As at March 31,2022 (B)	As at March 31,2021 (C)	As at March 31,2020 (D.)	Variance with immediate preceding year(%) (A-B)	Variance with immediate preceding year(%) (B-C)	Variance with immediate preceding year(%) (C - D)	Explanation for any change in the ratio by more than 25% as compared to the preceding year
(a) Current Ratio	Current Liabilities	2.35	1.99	1.88	2.90	18.08	5.86	(35.25)	Due to Increase in current liability
(b) Debt-Equity Ratio	Shareholders' equity	0.40	0.40	0.36	0.29	-	11.11	24.14	-
(c) Debt Service Coverage Ratio (DSCR)	Debt service	0.90	0.77	0.56	2.58	16.50	37.64	(78.29)	Due to Increase in Borrowings
(d) Return on Equity ratio (ROE)	Average Shareholders' equity	0.13	0.11	0.08	0.08	18.87	37.91	(0.03)	Due to Increase in Profitability and Improvement in Margins
(e) Inventory Turnover Ratio	Average Inventory	1.51	5.21	5.97	6.66	(70.95)	(12.80)	(10.42)	Due to Increase in closing stock
(f) Trade Receivables Turnover Ratio	Average trade receivables	0.16	1.91	1.48	3.36	(91.73)	28.78	(55.95)	Due to Increase in Credit Sales
(g) Trade Payables Turnover Ratio	Average trade payables	1.26	3.08	2.29	3.39	(59.18)	34.77	(32.42)	Due to Increase in Credit Sales
(h) Net Capital Turnover Ratio	Average working capital	0.93	2.57	2.09	1.68	(63.74)	22.79	24.83	Due to Increase in Working Capital
(i) Net Profit Ratio	Net sales	0.22	0.08	0.07	0.06	186.78	10.33	18.94	Due to Increase in Profitability and Improvement in Margins
(j) Return on Capital Employed	Capital employed	0.17	0.16	0.13	0.11	4.69	25.32	13.80	Due to Increase in Profitability and Improvement in Margins
(k) Return on Investment	Cost of investment	0.09	0.07	0.05	0.06	26.24	43.14	(12.38)	Due to Increase in Profitability and Improvement in Margins

## YASONS CHEMEX CARE LIMITED

### Statement of Notes to the Restated Financial Information

#### 41 RESTATED STATEMENT OF CAPITALIZATION :

(Amount Rs. In Lakhs)

Particulars	Pre-Issue figures	Post Issue
<b>Debt</b>		
Short Term Debt	199.69	*
Long Term Debt	107.90	*
<b>Total Debt</b>	<b>307.59</b>	
<b>Shareholder's Funds</b>		
Share Capital	590.08	*
Reserve and Surplus-As Restated	1,407.18	*
<b>Total Shareholder's Fund</b>	<b>1,997.26</b>	*
<b>Long Term Debt/Shareholder's Fund</b>	<b>0.05</b>	*
<b>Total Debt/Shareholder's Fund</b>	<b>0.15</b>	*

**(\*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.**

**Notes:**

(1) Short term Debts represent the debts which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.

(2) Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under "Other Current Liabilities".

(3) The figures disclosed above are based on restated standalone statement of Assets and Liabilities of the Company as at 31st March, 2022.

(4) The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.

**YASONS CHEMEX CARE LIMITED**  
Statement of Notes to the Restated Financial Information

(Amount Rs. In Lakhs)

**Annexure No. 42. RESTATED STATEMENT OF ACCOUNTING RATIOS :**

	AS AT 30.09.2022	AS AT 31.03.2022	AS AT 31.03.2021	AS AT 31.03.2020
Net Worth (A)	1,997.26	1,728.57	1,532.94	1,407.14
Net Worth excluding Preference Share Capital (A-1)	1,997.26	1,728.57	1,532.94	1,407.14
Restated Profit after tax	268.85	195.41	125.35	115.51
Less: Prior Period Item	0.00	0.00	0.00	0.00
<b>Adjusted Profit after Tax (B)</b>	<b>268.85</b>	<b>195.41</b>	<b>125.35</b>	<b>115.51</b>
Number of Equity Share outstanding as on the End of Year/Period (C)	14,161,920	14,161,920	14,161,920	14,161,920
Weighted average no of Equity shares at the time of end of the year (D)	14,161,920	14,161,920	14,161,920	14,161,920
Current Assets (E)	2,241.08	1,959.23	1,814.45	1,765.26
Current Liabilities (F)	954.33	985.13	965.82	608.38
Face Value per Share	10.00	10.00	10.00	10.00
<b>EBITDA Ratio</b>				
Restated Profit after tax	268.85	195.41	125.35	115.51
Add : Finance Cost	17.73	35.56	23.08	5.32
Add : Provision for Tax	57.50	44.55	46.50	37.00
Add : Depreciation	5.06	12.94	14.90	11.77
Add : Amortization Expenses	0.00	0.00	0.00	0.00
<b>EBITDA</b>	<b>349.14</b>	<b>288.46</b>	<b>209.83</b>	<b>169.60</b>
Earnings Per Share				
Restated Basic and Diluted Earnings Per Share ( ` ) (B/D)	1.90	1.38	0.89	0.82
Return on Net worth (%) (B/A)	13.46%	11.30%	8.18%	8.21%
Return on Equity Net worth % (B/A-1)	13.46%	11.30%	8.18%	8.21%
Net asset value per share (A/C) (Face Value of ` 10 Each)	14.10	12.21	10.82	9.94
Current Ratio (E/F)	2.35	1.99	1.88	2.90

1) The ratios have been computed as below:

a. Basic and Diluted earnings per share ( ` ) =

$$\frac{\text{Net profit available for appropriation ( as restated)}}{\text{Weighted average number of equity shares outstanding at the end of the period or year}}$$

b. Return on net worth (%) =

$$\frac{\text{Net profit available for appropriation ( as restated)}}{\text{Net worth at the end of the period/year}}$$

c. Net assets value per share =

$$\frac{\text{Net Worth at the end of the period/year}}{\text{Number of equity shares outstanding at the end of the period/ year}}$$

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

3) Net Worth means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.

4) The figures disclosed above are based on the standalone restated summary statements of the Company.

5) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1, 2, 3 and 4.

6) EBITDA represents earnings (or profit / loss) before interest, income taxes, and depreciation and amortisation expenses



**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

**43 Corporate Social Responsibility Expenditure:**

	(Rs. in lakhs)		
Particulars	2021-22	2020-21	2019-20
(i) amount required to be spent by the company during the year,	-	-	-
(ii) amount of expenditure incurred,	-	-	-
(iii) shortfall at the end of the year,	-	-	-
(iv) total of previous years shortfall,	-	-	-
(v) reason for shortfall,	-	-	-
(vi) nature of CSR activities,	-	-	-
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	-	-	-
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-	-

**44 Financial Risk Management**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

- Credit risk -see note (a) below
- Liquidity Risk- see note (b) below
- Market risk - see note (c) below

**(a) Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

- (i) The company has not made any provision on expected credit loss on trade receivables and other financial assets, based on the management estimates.
- (ii) Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

**(b) Liquidity Risk:**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department within the Finance Department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from the operations.

(Rs. in lakhs)

Particulars	As at September 30,2022	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
Total Current Assets (A)	2,241.08	1,959.23	1,814.45	1,765.26
Total Current Liabilities (B)	954.33	985.13	965.82	608.38
<b>Working Capital (A)-(B)</b>	<b>1,286.75</b>	<b>974.11</b>	<b>848.63</b>	<b>1,156.88</b>
<b>Current Ratio</b>	<b>2.35</b>	<b>1.99</b>	<b>1.88</b>	<b>2.90</b>

Following is the Company's exposure to financial liabilities

(Rs. in lakhs)

Particulars	As at September 30,2022			
	Carrying Value	Less than 1 year	More than 1 year	Total
Borrowings	307.59	-	-	-
Trade Payables	574.52	380.16	194.36	574.52
Other Liabilities	64.20	64.20	-	64.20

(Rs. in lakhs)

Particulars	As at 31st March, 2022			
	Carrying Value	Less than 1 year	More than 1 year	Total
Borrowings	281.40	216.28	65.12	281.40
Trade Payables	585.96	585.33	0.63	585.96
Other Liabilities	159.85	159.85	-	159.85

(Rs. in lakhs)

Particulars	As at 31st March, 2021			
	Contractual Cash Flows			
	Carrying Value	Less than 1 year	More than 1 year	Total
Borrowings	269.04	269.04	-	269.04
Trade Payables	560.85	560.83	0.02	560.85
Laese Liabilities	-	-	-	-
Other Liabilities	160.98	160.98	-	160.98

(Rs. in lakhs)

Particulars	As at 31st March, 2020			
	Carrying Value	Less than 1 year	More than 1 year	Total
Borrowings	46.16	4.45	41.71	46.16
Trade Payables	441.09	441.09	162.39	603.48
Other Liabilities	137.82	137.82	-	137.82

**c) Market risk**

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable pa-etters, while optimising the return.

**(1) Foreign currency risk :**

**YASONS CHEMEX CARE LIMITED****Statement of Notes to the Restated Financial Information**

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency.

Following is outstanding foreign currency unhedged exposure :

**(i) Financial assets:**

Financial Assets	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
<b>USD</b>	-	-	-	-	-	-
Trade Receivables	-	-	-	-	-	-
Advance to Supplier -Import (Other Current Asset)	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

**(Rs. in lakhs)**

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

(ii) Financial Liabilities:

Financial Liabilities	(Rs. in lakhs)					
	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD						
Trade Payables	NIL					

**45 Capital Management:**

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders. The Company's objectives when managing capital are to :

-safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

-maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

Particulars	(Rs. in lakhs)			
	As at September 30,2022	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
Total Liability	1,026.64	1,050.71	1,025.31	650.94
Less: cash and cash equivalents and bank balances (Refer Note no.11A and 11B)	2.37	5.70	10.49	24.88
Net Debt	1,024.27	1,045.01	1,014.82	626.06
Total Equity	1,997.26	1,728.57	1,532.94	1,407.14
Debt-Equity ratio	0.51	0.60	0.66	0.44

46 Previous year balances are regrouped, reclassify and rearranged wherever necessary.

47 The Balances of Trade receivables and payables, Other Liabilities and recoverable advances are subject to confirmations.

**48 Statement of restatement adjustments**

**A) Impact on restated total Comprehensive Income (TCI)**

Particulars	Year ended September 30,2022	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
a) Total comprehensive income/ (loss) as per audited statement of profit and loss	268.85	195.61	125.44	116.36
b) Restatement adjustments:				
i) Provision of Gratuity	-0.15	0.02	0.36	-0.85
ii) Tax adjustment of earlier years/ other adjustments	-	-	-	-
<b>Total Impact of restatement adjustment</b>	<b>-0.15</b>	<b>0.02</b>	<b>0.36</b>	<b>-0.85</b>
<b>Restated total Comprehensive income/(Loss)</b>	<b>268.70</b>	<b>195.63</b>	<b>125.80</b>	<b>115.51</b>
	268.69599	195.62727	125.80164	115.50759
	-	0.00	-0.00	0.00

**YASONS CHEMEX CARE LIMITED**

**Statement of Notes to the Restated Financial Information**

**B) Impact on total equity**

Particulars	As at September 30,2022	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
<b>Total equity as per audited balance sheet</b>	<b>1,997.89</b>	<b>1,729.04</b>	<b>1,533.43</b>	<b>1,407.99</b>
Cumulative impact on statement of Profit & loss impact on statement of profit and loss for the current year	(0.62)	(0.47)	(0.49)	(0.85)
<b>Restated total equity</b>	<b>1,997.27</b>	<b>1,728.57</b>	<b>1,532.94</b>	<b>1,407.14</b>
	1,997.26	1,728.57	1,532.94	1,407.14
	0.00	0.00	0.00	0.00

**Notes:**

- i) Adjustments for audit qualification : None  
ii) Adjustments due to prior period items / other adjustments: None

**(b) Material regrouping/ reclassification**

Appropriate adjustments have been made in the restated statement of assets and liabilities, restated statement of profit and loss and restated statement of cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the year ended 31 March 2022, prepared in accordance with Schedule III to the Act and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended)

**(c) Emphasis of matter in the Auditor's report and other remarks/ comments in the 'CARO'**

i) Emphasis of matter in the Auditor's report and other remarks/ comments in the Companies (Auditor's Report) Order, 2020 ('CARO') on the financial statements for the half year ended 30 September,2022 which do not require any corrective adjustments in the Restated Financial Information: None

ii) Emphasis of matter in the Auditor's report and other remarks/ comments in the Companies (Auditor's Report) Order, 2020 ('CARO') on the financial statements for the year ended 31 March,2022 which do not require any corrective adjustments in the Restated Financial Information: None

iii) Emphasis of matter in the Auditor's report and other remarks/ comments in the Companies (Auditor's Report) Order, 2016 ('CARO') on the financial statements for the year ended 31 March,2021 which do not require any corrective adjustments in the Restated Financial Information: None

iv) Emphasis of matter in the Auditor's report and other remarks/ comments in the Companies (Auditor's Report) Order, 2016 ('CARO') on the financial statements for the year ended 31 March,2020 which do not require any corrective adjustments in the Restated Financial Information: None

**For, H S K & Co LLP**  
**Chartered Accountants**  
**Firm Regd. No.117014W/W100685**

**For and on behalf of Board of directors**

S/d  
Sudhir S. Shah

Partner

(M. No. 115947)  
UDIN: 23115947BGWPHY4055  
Place : Ahmedabad  
Date : January 01,2023

S/d  
CS Himali Thakkar  
(Company Secretary)

S/d  
Kiritbhai H. Shah  
(Chief Financial Officer)

S/d  
Pritesh Y. Shah  
(Managing  
Director cum  
Chairman)  
(DIN: 00239665)

Place : Ahmedabad  
Date : January 01,2023

S/d  
Dimple P. Shah  
(Whole-time  
Director)  
(DIN: 06914755)

**YASONS CHEMEX CARE LIMITED**  
4th floor, 412 Sigma Icon-1,  
132ft Ring Road, Opp. Medilink Hospital,  
Satellite, Ahmedabad,Gujarat- 380015, India

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**Summary statement of significant accounting policies and other explanatory information to the restated financial information**

**Note – 1:**

**A. Corporate Information**

Yasons Chemex Care Limited (“the Company”) was incorporated on October 17, 2017 under the provisions of the Companies Act, 2013; having registered office at Ahmedabad, Gujarat, India. The Company engage in the business of manufacturing of dyes and intermediates and FMCG Products like hand sanitizers, hair oil, soap, perfumes, deodorants , etc. The Company has manufacturing plant located in state of Gujarat. The CIN of the Company is U24304GJ2017PLC099511.

The company commenced its business activities in year 2017. The Company carried out its activities at three locations (Unit-1, 2 & 3) in Ahmedabad, Gujarat. The company taken all the three unit on lease.

The company achieved sales turnover of Rs. [1940.97] lakhs and total revenue of Rs. [1961.55] lakhs in the FY 2019-20 with an EBIDTA of [9.01] %.

The company achieved sales turnover of Rs. [1777.36] lakhs and total revenue of Rs. [1804.79] lakhs in the FY 2020-21 with an EBIDTA of [12.36] %.

The company achieved sales turnover of Rs. [2505.19] lakhs and total revenue of Rs. [2617.01] lakhs in the FY 2021-22 with an EBIDTA of [11.96] %.

**B. Summary of Significant Accounting Policies**

**1. Statement of compliance and Basis of preparation:**

The Restated Financial Statement comprise of the Restated Statement of Asset and Liabilities as at for the period ended on September 30,2022 and Financial Years ended on 31 March 2022, 31 March 2021 and 31 March 2020, Restated Statement of Profit and Loss (including other comprehensive income), Restated statement of Cash Flows and Restated Statement of Changes in Equity the years for the period ended on September 30,2022 and Financial Years ended on 31 March 2022, 31 March 2021 and 31 March 2020 and the Summary Statement of Significant Accounting Policies and other explanatory information (hereinafter referred to as ‘Restated Financial Information’).

The Restated Financial Statement has been approved by the Board of Directors of Yasons Chemex Care Limited at their meeting has been specifically prepared for inclusion in the draft prospectus to be filed by Yasons Chemex Care Limited with the Stock Exchange in connection with the proposed Initial Public Offer of equity shares ('IPO') of Yasons Chemex Care Limited (referred to as the 'Issue'). The Restated Financial Statement has been prepared by the management of Yasons Chemex Care Limited to comply in all material respects with the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the 'Act') as amended from time to time;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date ('SEBI ICDR Regulations'); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

d)

The accounting policies have been consistently applied by the Company in preparation of the Restated Financial Statement and are consistent with those adopted in the preparation of financial statements for the year ended 31 March 2022. This Restated Financial Statement do not reflect the effects of events that occurred subsequent to the respective dates of the board meeting held for the approval of the financial statements as at for the period ended on September 30, 2022 and Financial Years ended on 31 March 2022, 31 March 2021 and 31 March 2020 as mentioned above.

The Restated Financial Statement have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

- a) Adjustments to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years, if any;
- b) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the financial statements of the Group for the year ended 31 March 2022 and the requirements of the SEBI ICDR Regulations, if any; and
- c) The resultant impact of tax due to the aforesaid adjustments, if any.

All amounts included in the Restated Financial Statement are reported in Indian Rupees (₹), which is also the Group's functional currency, and all the values are rounded to the nearest lacs (INR 00,000), except otherwise indicated.

The Restated Financial Statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and share based payments which have been measured at fair value, on an accrual basis of accounting.

**A. Basis of measurement:**

The Restated Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013. The exceptions to the same are:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

**B. Current and non-current classification of assets and liabilities:**

The Assets and Liabilities and the Statement of Profit & Loss, including related notes, are prepared and presented as per the requirements of Schedule III (Division II) to the Companies Act, 2013. All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

**C. Use of judgements, estimates and assumptions:**

The preparation of financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, noncurrent liabilities and the disclosure of the contingent liabilities on the date of the preparation of Financial Statements. Such estimates are on a reasonable and prudent basis considering all available information, however due to uncertainties about these judgements, estimates and assumptions, the actual results could differ from those estimates. Information about each of these estimates and judgements is included in relevant notes. Any revision to accounting estimates is recognized prospectively in current and future periods.

**Judgements:**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the Financial Statements is included in the following :

Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment, assumptions and estimation uncertainties are provided here, whereas the quantitative break-ups for the same are provided in the notes mentioned below:

- Note 1(B)(3) - Useful life of depreciable assets, Property, Plant and Equipment.
- Note 7 - Recognition of tax expenses including deferred tax.
- Note 32(6) - Defined benefit obligation, key actuarial assumptions.



- Note 32(2) – Contingent Liabilities
- Note 9 - Valuation of Inventories.

### **3. Property, Plant and Equipment:**

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the Written down value method.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

#### **Subsequent Costs:**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing the property, plant and equipment are recognised in the statement of profit and loss as incurred.

#### **Disposal:**

An item of property, plant and equipment is derecognised upon the disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income / expenses in the statement of profit and loss.

#### **Depreciation:**

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with Ind AS 105 and the date that the asset is derecognised.

Depreciation on Property, Plant and Equipment is provided on the reducing balance method over the estimated useful life of the assets as prescribed under Schedule II to the Companies Act, 2013.

The management has estimated the useful life of the Tangible Assets as mentioned below:

<b>Asset Classification</b>	<b>Years</b>
Computer	3
Non Factory Buildings	60
Furniture & Fixtures	10
Office Equipment	5

Plant & Machineries	15 years
Vehicle	8 & 10 years
Factory Shed	30 years

**Impairment of all non-financial assets:**

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount, Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**4. Investments and Deposits:**

The total investments are carried at their actual amount of investment. Further, these investments are not held with a view earn contractual cash flow instead there are a type of membership deposit made. Hence, they do not classify as Financial Assets in accordance with IND AS.

**5. Leases:**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - #the Company has the right to operate the asset; or
  - #the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

#### **Company as a lessee:**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets redetermined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rates as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease being 79 years remaining as on the date of purchase.

#### **Short-term leases and leases of low-value assets:**

The Company has elected not to recognise right-of-use assets and lease liability for the short-term leases that have lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments as an operating expense on a straight-line basis over lease term.

## **6. Financial Assets:**

### **A. Fair Value Assessment:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

### **B. Subsequent Measurement:**

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

### **C. Financial Assets measured at amortized cost:**

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

**Trade Receivables:**

Unconditional receivables are recognised as financial assets when the entity becomes a party to the contract and, as a consequence, has a legal right to received or a legal obligation to pay cash. Further, the carrying amounts approximate fair value of these instruments.

**D. Financial Assets at fair value through OCI('FVTOCI'):**

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss.

**E. Financial Assets at fair value through profit or loss('FVTPL'):**

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

**F. Derecognition:**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

**G. Impairment of Financial Assets:**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

**7. Financial Liabilities:**

The company's financial liabilities include trade payable.

#### **A. Initial recognition and measurement:**

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognized in the Statement of Profit and Loss (if any).

#### **B. Subsequent Measurement:**

The subsequent measurement of financial liabilities depends upon the classification as described below:-

#### **C. Financial liabilities classified as Amortized cost:**

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

#### **Trade Payables:**

Unconditional payables are recognised as financial liabilities when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash. Further, the carrying amounts approximate fair value of these instruments.

#### **D. Financial liabilities classified as fair value through profit and loss (FVTPL):**

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Exports benefits are accounted for in the year of exports based on the eligibility and when there is certainty of receiving the same.

#### **E. Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

#### **F. Offsetting of Financial Instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**8. Cash Flows and Cash and Cash Equivalents:**

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, Bank overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

**9. Provisions and Contingent Liabilities and Contingent Assets:**

The company recognizes a provision when there is a present obligation as a result of past event that requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are disclosed after careful evaluation by the management of facts and legal aspects of the matter involved.

Contingent Asset are neither recognized nor disclosed in the financial statements.

**10. Revenue Recognition and Other Income:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from sale of goods is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Interest income or expense is recognised using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial assets;
- the amortized cost of the financial liability.

However, in case of interest income on fixed deposit with banks is booked as per the interest rate fixed by bank on such deposits.

## **11. Income Taxes:**

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

### **Current Tax:**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### **Deferred Tax:**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

-When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,

-Taxable temporary differences arising on the initial recognition of goodwill.

-Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.



The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax are also recognized in correlation to the underlying transaction reflected in OCI.

## **12. Inventories:**

Raw materials, Work in Progress, Finished Goods and Packing Material are stated at lower of cost and net realizable value. For calculating inventories, the cost method for evaluation, it has been considered at FIFO Method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity.

## **13. Foreign Currency Transactions:**

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

## **14. Employee Benefits:**

### **Long-term Benefits:**

#### **Provident Fund - Defined Contribution Plan:**

As the provisions of The Employees' Provident Fund and Miscellaneous Provisions Act & Employees State Insurance Act are applicable to the company. The Company's contribution paid/payable under the scheme is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.

#### **Gratuity - Defined Benefit Plans:**

The company operates an unfunded defined benefit plan for its employees in the form of gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at

each reporting date, using the projected unit credit method, actuarial gain or loss for defined benefit plan are recognized in full in the year in which they occur in the statement of Profit and Loss.

**Short term Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Undiscounted value of benefits such as salaries, leave encashment incentives, allowances and bonus are recognized in the period in which the employee renders the related service.

**15. Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost another costs that an entity incurs in connection with the borrowings of the funds.

**16. Segment Reporting:**

Our Company is engaged in the business of manufacturing of dyes and chemicals and FMCG Sector. As such in accordance with Ind AS, our Company's business is considered to constitute diversified segment.

**17. Earnings Per Share:**

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**18. Recent Accounting Pronouncement:**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as amended from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022. The Company has evaluated the amendment and there is no impact.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion of our financial position and results of operations together with our Restated Financial Statements which have been included in this Draft Prospectus. The following discussion and analysis of our financial position and results of operations is based on our Restated Financial Statements for the financial year ended March 31, 2022 and for financial year ended March 31, 2021 including the related notes and reports, included in this Draft Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S AS and AS in other countries. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial information. Our Financial Statements, as restated have been derived from our audited financial statements for the respective period and years. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS, Companies Act, SEBI Regulations and other relevant accounting practices in India. 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.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "**Risk Factors**" and "**Forward Looking Statements**" beginning on pages 34 and 20, respectively, and elsewhere in this Draft Prospectus.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Yasons and, our Company. Unless otherwise indicated, financial information included herein are based on our "**Restated Financial Statements**" for the period ended September 30, 2022 and for the financial year ended March 31, 2022, for the Financial Year 2021 and for the Financial Year 2020 beginning on page no. 181 of this Draft Prospectus.

### BUSINESS OVERVIEW

Our Company is in the business of manufacturing of a) dyes and pigment paste; and b) FMCG products. We manufacture wide range of dyes such as reactive dyes, direct dyes, basic dyes, vat dyes and food colorants. Within FMCG products such as hair oil, perfumes & deodorant, handmade soap, sanitizer, etc. we manufacture or package under our own brand name "PLXO".

Our company also manufactures anti dusting oil, dispersing agents and reactive agents which are one of the major raw materials used for manufacturing of dye and pigment.

Our Company manufacture dye and pigment paste at our manufacturing facility situated at A-1/329, Phase-II, G.I.D.C, Vatva, Ahmedabad – 382445 Gujarat ("**Unit I**").

Our Company also manufacture FMCG products such as hair oil, perfumes & deodorant, handmade soap, sanitizer etc. we manufacture or package under our own brand name "PLXO" at our manufacturing facility situated at 22, Shreeji Krupa Estate, Tajpur Road, Changodar, Sanand District, Ahmedabad, Gujarat, 382213 ("**Unit II**").

Our Company received permission for manufacturing of sanitizer at Unit II from the government of Gujarat license no AP/Yasons/2020/34587/D dated April 13, 2020 for PLXO COVIDSOL 70 Yellow Body Sanitizing liquid (for COVID-19 purpose) and license no. AP/YASONS/2020/34485/D dated April 9, 2020 for PLXO COVIDSOL 80 Yellow Body Sanitizing liquid and PLXO COVIDSOL 65 Yellow Body Sanitizing liquid both (for COVID-19 purpose).

Our Company also received permission for manufacturing hair oil/cream/shampoo/ lotion at Unit II from the government of Gujarat license under our brand name PLXO Rosy'Z Rose Water Toner and PLXO Kesha'Z Hairsurrect.

Further our Company receive permission license no. GC/1363 dated February 01, 2018 for manufacturing of cosmetic manufacturing section aerosol and alcoholic fragrance and also received DS 5 and SA-1 license for storing alcohol for the manufacturing said cosmetics at Unit II.

Our Company manufactures dyes and pigment paste of various concentrations which is the deciding factor for the pricing of the product. We procure quality raw materials from chemical industries present in domestic markets who manufactures intermediates of dye. Our customers are mostly traders who sell directly to textile manufacturers as well as other industries. Our relationship with our traders and esteemed customer base are key factors of our success in the industry.

For further details, please refer chapter titled “**Business Overview**” beginning on page 115 of this Draft Prospectus.

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD**

**After the date of last financial year i.e., March 31, 2022, the following material events have occurred after the last audited period.**

1. The Board of Directors of the Company approved the Initial Public Issue of our Company in their meeting held on December 09, 2022.
2. The Shareholders of the Company approved the Initial Public Issue of our Company in their meeting held on December 20, 2022.
3. The Shareholders of the Company to delegate power to Board of Directors to borrow money exceeding the prescribed limit in their meeting held on September 27, 2022.
4. The Shareholders of the Company to increase Authorized Share Capital of the Company in their meeting held on November 29,2022
5. The Board has allotted 82,61,120 Equity shares pursuant to Bonus Issue vide Board Resolution dated December 22,2022

### **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the Section titled “**Risk Factors**” beginning on page 34, of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Volatility in supply and pricing of products;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to attract and retain qualified personnel;
- Substantial capital expenditure & working capital requirements;
- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
- Default or delay in payment from customers;
- Changes in laws, rules & regulations and legal uncertainties;
- Pricing pressures from the competitive business environment;
- Economic and Demographic condition;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control and
- Our ability to manage risks that arise from these factors.

### **SIGNIFICANT ACCOUNTING POLICIES**

For more details kindly refer to **Annexure 2** Chapter titled “**Restated Financial Statements**” beginning on page 181 of this Draft Prospectus.

## DISCUSSION ON RESULTS OF OPERATIONS

The following table sets forth financial data from our restated financial statements of profit & loss for the Financial Year ended March 31, 2022, for the Financial Year ended March 31, 2021 and for the Financial Year ended March 31, 2020, the components of which are also expressed as a percentage of total revenue for such periods:

(₹ in Lakhs)

Particulars	Period ended 30- Sept-2022		Year ended 31- Mar-2022		Year ended 31- Mar-2021		Year ended 31- Mar-2020	
	₹ in lakhs	%*	₹ in lakhs	%*	₹ in lakhs	%*	₹ in lakhs	%*
<b><u>(A) REVENUE</u></b>								
Revenue from Operations	1199.86	81.53	2,505.19	95.73	1,777.36	98.48	1,940.97	98.95
Other Income	271.73	18.47	111.81	4.27	27.42	1.52	20.58	1.05
<b>Total Revenue</b>	<b>1471.59</b>	<b>100.00</b>	<b>2,617.00</b>	<b>100.00</b>	<b>1,804.78</b>	<b>100.00</b>	<b>1,961.55</b>	<b>100.00</b>
<b><u>(B) EXPENDITURE</u></b>								
Cost of materials consumed	771.77	52.44	1,608.97	61.48	1,248.80	69.19	974.82	49.70
Purchases of Stock- in-Trade	400.1	27.19	633.89	24.22	282.39	15.65	838.7	42.76
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-71.15	-4.83	13.19	0.50	-8.06	-0.45	-60.61	-3.09
Employee Benefits Expenses	7.88	0.54	16.19	0.62	7.32	0.41	13.16	0.67
Finance Costs	17.73	1.20	35.56	1.36	23.08	1.28	5.32	0.27
Depreciation and Amortization Expense	5.06	0.34	12.94	0.49	14.9	0.83	11.77	0.60
Other Expenses	14.03	0.95	44.88	1.71	54.49	3.02	19.81	1.01
<b>Total Expenditure</b>	<b>1145.43</b>	<b>77.84</b>	<b>2,365.89</b>	<b>90.39</b>	<b>1,622.92</b>	<b>89.92</b>	<b>1802.97</b>	<b>91.92</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>	<b>326.16</b>	<b>22.16</b>	<b>251.39</b>	<b>9.61</b>	<b>181.87</b>	<b>10.08</b>	<b>158.58</b>	<b>8.08</b>
Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Profit Before Extraordinary Items and Tax</b>	<b>326.16</b>	<b>22.16</b>	<b>251.39</b>	<b>9.61</b>	<b>181.87</b>	<b>10.08</b>	<b>158.58</b>	<b>8.08</b>
Extraordinary Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

<b>Profit Before Tax</b>	<b>326.11</b>	<b>22.16</b>	<b>251.39</b>	<b>9.61</b>	<b>181.87</b>	<b>10.08</b>	<b>158.58</b>	<b>8.08</b>
<b>Tax Expense:</b>								
(1) Current tax	57.50	3.91	44.55	1.70	46.5	2.58	37	1.89
(2) Deferred tax	-0.19	-0.02	0.26	0.01	-0.8	-0.04	3.44	0.18
(3) Short/(Excess) Provision of Income Tax of Earlier Years	0.00	0.00	10.97	0.42	10.73	0.59	1.78	0.09
<b>Profit (Loss) from the period from continuing operations</b>	<b>268.85</b>	<b>18.27</b>	<b>195.61</b>	<b>8.27</b>	<b>125.44</b>	<b>6.95</b>	<b>116.36</b>	<b>5.93</b>
Profit/(Loss) from discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit/(Loss) from discontinuing operations after tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Profit/(Loss) for the period</b>	<b>268.85</b>	<b>18.27</b>	<b>195.61</b>	<b>8.27</b>	<b>125.44</b>	<b>6.95</b>	<b>116.36</b>	<b>5.93</b>

\*(%) column represents percentage of total revenue.

## **Key Components of our Statement of Profit and Loss Based on our Restated Financial Statements**

### **Income**

Our total income comprises of revenue from operations and other income.

### **Revenue from Operations**

Our revenue from operations represents sale of our manufacturing products and trading products. The Company is engaged in the business of manufacturing of dyes, pigment paste and FMCG Products. For detail, please refer to section “**Business Overview**” on page 118 of this Draft Prospectus.

### **Other Income**

Other income includes Interest Income, Share of Profit from Investment in LLP, Commission Income and other income.

### **Expenditure**

Our total expenditure primarily consists of Cost of material consumed, purchases of stock-in-trade, changes in inventories of finished goods, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

### **Employee Benefit Expenses**

Employee benefit expenses comprises of Salary, wages & bonus expenses, Directors' Remuneration and gratuity provisions.

### **Finance costs**

Our finance costs mainly include interest charges and other borrowing costs.

## **Depreciation & Amortisation Cost**

Depreciation has been provided as per the useful life prescribed under schedule II of the Companies Act, 2013 on Written down Value (WDV) Method on pro rata basis.

## **Other Expenses**

Other expenses include auditor's remuneration, electricity charges, foreign exchange gain, insurance charges, travelling & conveyance expenses, vehicle exp. (car), labour expenses, rent, rates, & taxes, repair & maintenance, legal & professional fees charges, transport charges, reversal of expected credit loss allowances, factory expense, sales & marketing expense, other expenses.

## **Provision for Tax**

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date.

## **FOR THE SIX MONTHS PERIOD ENDED ON SEPTEMBER 30, 2022**

### **Income:**

#### **Total Revenue**

Our total revenue amounted to ₹ 1471.59. lakhs for the six months period ended September 30, 2022 which is on account of revenue from operations and other income as described below:

#### **Revenue from Operations**

Our revenue from operations for the six months period ended September 30, 2022 was ₹ 1199.86. Lakhs which is about 81.53% of the total revenue which comes from sale of our products through manufacturing and trade of dye and pigment paste and manufacturing of FMCG products and trading products.

#### **Other Income**

Our other income for the six months period ended September 30, 2022 was ₹ 271.73Lakhs which is about 18.47% of the total revenue. Our other income also include share in profit from our investment i.e., Rishit Polysurf LLP.

### **Expenditure:**

#### **Cost of materials consumed**

Our cost of materials consumed for the six months period ended September 30, 2022 was ₹ 771.77 which is about 47.61% of the total revenue comprising i) purchase of good for the period; and (ii) changes in inventories of finished goods amounting to ₹ (71.15) Lakhs

#### **Employee Benefits Expenses**

The employee benefits expenses for the six months period ended September 30, 2022 is ₹ 7.88 lakhs which was 0.54 % of the total revenue.

#### **Finance Cost**

Financial costs for the six months period ended September 30, 2022 is ₹ 17.73 lakhs which was 1.20% of the total revenue.

#### **Other Expenses**

Other Expenses for the six months period ended September 30, 2022 is ₹ 14.03 lakhs which was 0.95% of the total revenue.

#### **Depreciation and Amortization Expenses**

Depreciation for the six months period ended September 30, 2022 is ₹ 5.06 lakhs which was 0.34% of the total revenue.

## **Profit after Tax**

Profit after tax for the six months period ended September 30, 2022 is ₹ 268.85 lakhs which was 18.27% of the total revenue.

## **Assets**

### **Inventory**

Increase in inventory as on September 30, 2022 is due to strategic production of FMCG goods considering upcoming festival and bulk order received from customer which has to be delivered as per their schedule.

### **Trade receivable**

Increase in trade receivable are mainly due to increase in credit sales and also delaying collection of receivables.

## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 TO FINANCIAL YEAR ENDED MARCH 31, 2021**

### **Income:**

#### **Total Revenue**

Our total revenue increased by 45 % to ₹ 2,617.01 Lakhs for Fiscal 2022 from ₹ 1,804.79 Lakhs for Fiscal 2021. This increase was primarily due to increase in revenue from operations. This was primary attributable to increase in sale of products and other income.

#### **Revenue from Operations**

Our revenue from operations increased by 40.95% to ₹ 2,505.19 Lakhs for Fiscal 2022 from ₹ 1,777.36 Lakhs for Fiscal 2021 due to increase in sale. Our revenue from manufacturing and trading increased during the period.

#### **Other Income**

Our other income increased by 307.77 % to ₹ 111.81 Lakhs for Fiscal 2022 from ₹ 27.42 Lakhs for Fiscal 2021. Increase in other income is attributable to significant increase in our share of profit in the LLP and commission income.

### **Expenditure**

#### **Cost of materials consumed**

Our cost of material consumed increased by 28.84 % to ₹ 1,608.97 Lakhs for Fiscal 2022 from Rs 1,248.80 Lakhs for Fiscal 2021. This increase was primarily due to an increase in sales volume..

#### **Change in Inventories of finished goods**

Changes in inventories of finished goods was ₹13.19 Lakhs for Fiscal 2022 and ₹ (8.06) Lakhs for Fiscal 2021. .

#### **Purchases of Stock in Trade**

Our purchases of stock in trade, which primarily represents dyes and pigment pastes that we procure to meet our customer requirements, increased by ₹ 351.50 lakhs, or 124.47%, to ₹ 633.89 lakhs for Fiscal 2022 from ₹ 282.39 lakhs for Fiscal 2021. This increase was primarily due to increased sales volume of stock in trade.

#### **Employee Benefits Expenses**

The employee benefits expense increased by 117.44 % to ₹ 16.46 Lakhs for Fiscal 2022 from ₹ 7.57 Lakhs for Fiscal 2021. This was primarily attribute due to payment of remuneration to our Directors of ₹ 9.00 lakhs.

#### **Finance Cost**



The finance costs slightly increased by 54.06 % to ₹ 35.56 Lakhs for Fiscal 2022 from ₹ 23.08 Lakhs for Fiscal 2021, primarily due to interest paid to banks and financial institutions of ₹ 27.79 Lakhs for Fiscal 2022 from ₹13.18 Lakhs for Fiscal 2021.

#### **Depreciation and amortization expense**

Our depreciation and amortization expense decreased by (13.15) % to ₹ 12.94 Lakhs for Fiscal 2022 from ₹ 14.9 Lakhs for Fiscal 2021.

#### **Other Expenses**

Our other expenses decreased by (17.64) % to ₹ 44.88 Lakhs for Fiscal 2022 from ₹ 54.49 Lakhs for Fiscal 2021. The reduction in other expenses were attributable to significant reduction in rents, rates & taxes during the period.

#### **Tax expenses**

Our tax expenses marginally decreased to ₹ 55.71 Lakhs for Fiscal 2022 from ₹ 56.27 Lakhs for Fiscal 2021.

#### **Profit after Tax (PAT)**

For the reasons discussed above, our profit after tax increased by 55.90 % to ₹ 195.41 Lakhs for Fiscal 2022 from ₹ 125.35 Lakhs for Fiscal 2021.

### **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2021 TO FINANCIAL YEAR ENDED MARCH 31, 2020**

#### **Income:**

##### **Total Revenue**

Our total revenue decreased by (7.99)% to ₹ 1,804.79 Lakhs for Fiscal 2021 from ₹ 1,961.55 Lakhs for Fiscal 2020 due to covid situation.

##### **Revenue from Operations**

Our revenue from operations decreased by (8.43) % to ₹ 1,777.36 Lakhs for Fiscal 2021 from ₹ 1,940.97 Lakhs for Fiscal 2020 primarily due to covid situation. During the period due to covid situation our manufacturing of dyes and pigments were affected however, the loss in sale was partially adjusted against sale of sanitizer products. Sale of sanitizer products during the period was ₹ 97.31 Lakhs.

##### **Other Income**

Our other income increased by 33.24% to ₹ 27.42 Lakhs for Fiscal 2021 from ₹ 20.58Lakhs for Fiscal 2020, primarily due to share in profit from LLP and commission income for the year.

#### **Expenditure**

##### **Cost of materials consumed**

The cost of materials consumed increased by 28.11 % to ₹ 1,248.80 Lakhs for Fiscal 2021 from ₹ 974.82 Lakhs for Fiscal 2020, primarily due to the increasing price of raw materials.

##### **Change in Inventories**

Changes in inventories of finished goods was ₹ (8.06) Lakhs for Fiscal 2021 and ₹ (60.61) Lakhs for Fiscal 2020. This is a decrease of (86.70) %.

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

The employee benefits expense decreased by (44.38) % to ₹ 7.57 Lakhs for Fiscal 2021 from ₹ 14.01 Lakhs for Fiscal 2020, primarily due to non-payment of remuneration our directors.

##### **Finance Cost**

The finance cost increased by 333.83 % to ₹ 23.08 Lakhs for Fiscal 2021 from ₹ 5.32 Lakhs for Fiscal 2020, primarily due to a increase in borrowings during the period.

#### **Depreciation and amortization expense**

Our depreciation and amortization expense increased by 26.59 % to ₹ 14.90 Lakhs for Fiscal 2021 from ₹ 11.77 Lakhs for Fiscal 2020.

#### **Other Expenses**

Our other expenses increase by 175.06 % to ₹ 54.49 Lakhs for Fiscal 2021 from ₹ 19.81 Lakhs for Fiscal 2020, primarily due to increase in overhead because of covid shutdown.

#### **Tax expenses**

Our tax expenses increased to ₹ 56.27 Lakhs for Fiscal 2021 from ₹ 42.22 Lakhs for Fiscal 2020.

#### **Profit after Tax (PAT)**

For the reasons discussed above, our profit after tax increased by 7.80 % to ₹ 124.05 Lakhs for Fiscal 2021 from ₹ 115.51 Lakhs for Fiscal 2020.

#### **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 (3) years.

##### **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 34 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 main activities derives from manufacturing and trading sale of dyes and pigment pastes and FMCG 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 34 of 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 increase in services**

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 also engaged in the manufacturing and trading business of dyes and pigment paste, as available, has been included in the Chapter titled "**Industry Overview**" beginning on page 105 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.**

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of contribution of our Company's customers and supplier's vis a vis the revenue from operations and raw materials purchase respectively for the six months period ended September 30, 2022 and for the Financial Year ended March 31, 2022 and for the Financial Year ended as on March 31, 2021 based on Restated Financial Statements are as follows:

Particular	Supplier		Customers	
	For the six months period ended September 30, 2022	As on March 31, 2022	For the six months period ended September 30, 2022	As on March 31, 2022
<b>Top 10 suppliers/ customers (Rs in Lakhs)</b>	459.75	482.18	664.60	522.17
<b>% to total purchase / sales</b>	38.14	19.64	55.39%	20.84%

**11. Competitive conditions.**

Competitive conditions are as described under the Chapters titled "**Industry Overview**" and "**Business Overview**" beginning on pages 105 and 115, respectively of this Draft Prospectus.

**Material developments subsequent to March 31, 2022**

Except as disclosed in this Draft Prospectus, there are no significant developments or circumstances that have arisen since March 31, 2022, the date of the last financial statements included in this Draft Prospectus:

Further, except as disclosed in this Draft Prospectus, there are no circumstances that have arisen since March 31, 2022, the date of the last financial statements included in this Draft Prospectus, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

## FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from various banks for conducting its business.

Set forth below is a brief summary of all the borrowings of our Company as on September 30, 2022 together with a brief description of certain significant terms of such financing arrangements.

(₹ in Lakhs)

Nature of Borrowing	Amount
Secured borrowings	239.74
Unsecured borrowings	63.44
<b>Total</b>	<b>307.59</b>

### A. Secured Borrowings

(₹ in Lakhs)

Sr. No	Name of Lender	Types on Loans	Date of creation of charge	Amount Sanctioned	Outstanding Amount as on March 31, 2022	Outstanding Amount as on September 30, 2022	Terms And Condition of Sanction
1.	Axis Bank Limited	Cash credit under CGTMSE Scheme	October 03, 2020	200	198.49	199.69	Note 1
2.	SIDBI	Term Loan	October 22, 2020	37.98	30.13	25.96	Note 2
3.	HDFC Bank Limited	auto-loan	March 29, 2018	29.16	15.95	14.09	Note 4
4.	HDFC Bank Limited	auto-loan	March 28, 2018	8.13	4.98	4.41	Note 5

#### Note:1 Terms and Condition of Sanction

Facility	Cash Credit under CGTMSE Scheme
Amount	Rs 200.00 Lakhs
Purpose	Working capital
Type	Hypothecation
Interest Rate	Repo Rate+6.45% P.A.
Primary Security	Hypothecation of entire stock and book debts of the Company both present and future.
Guarantee	<p><b>Personal Guarantee</b> Pritesh Yashwantlal Shah and Dimple Priteshkumar Shah</p> <p><b>Corporate Guarantee</b> Yash Chemex Limited</p>

<b>Margin</b>	The DP will be calculated by applying following margins Stock-25% and Book Debts (Cover period of 60 days) - 25%
<b>Tenor</b>	12months
<b>covenants</b>	<p><b>Pre disbursement condition</b></p> <p>The following pre-disbursement conditions in addition to what is customary for a transaction of this nature:</p> <ol style="list-style-type: none"> <li>1. Firm to submit CA certificate for gross investment in Plant and machinery prior to disbursement.</li> <li>2. As per circular No. SME/50/2010-11 dated Feb 3, 2011, the borrower should furnish below mentioned declarations under Zero Collateral Scheme. Declaration that the funds would not be used for adjustment/payment of any debt deemed bad or doubtful for recovery.</li> <li>3. Declaration from the company giving the Bank the right to list the defaulted borrower's names and particulars on the Website of the Trust.</li> <li>4. The company to furnish a declaration to the bank to the effect that promoter is not a director or specified near relation of a director of a banking company as per RBI Circular No. SME 66/2011-12 dated 17.01.2012.</li> <li>5. Declaration that it would not take any loan from any other Bank/Lending Institution.</li> <li>6. Declaration that company shall not create any charge on the security held in the account covered by the guarantee for the benefit of any account not covered by the guarantee, with itself or in favour of any other creditor(s) without the prior written approval of the Trust.</li> <li>7. Borrower to provide beneficial ownership declaration prior to disbursement.</li> </ol> <ol style="list-style-type: none"> <li>1. Borrower to submit Udyam Registration Certificate within 30 days of the date of disbursement</li> <li>2. Borrower to submit signed copy of ABS 2019 prior to release of limits from our Bank.</li> </ol> <p><b>Other condition:</b></p> <ol style="list-style-type: none"> <li>i. The borrower will maintain its net working capital position equal to or above the levels furnished in its projections for working capital finance. In the event of difference of opinion arising as to what constitute current assets and current liabilities, the Bank's decision will be final and binding on the borrower.</li> <li>ii. The Borrower to submit annual Self certified net worth statement of all the Personal Guarantors along with the detailed breakup of assets.</li> <li>iii. The borrower shall endeavour to make its tax payments (including GST and advance income tax and other tax payments) from our accounts only</li> <li>iv. The borrower shall not to divert working capital funds for long term purposes; utilise the facility only for the purpose it is sanctioned:</li> <li>V. The borrower shall pay the charges to the Bank as per the Banks standard schedule of charges for various services rendered by the Ban</li> <li>vi. Promoter shall meet any shortfall in meeting Debt servicing for the Facility, during the entire tenor of the facility.</li> </ol>

	<p>vii. Borrower to recover advances given to Shreenathji Infraspac LLP of ₹ 2.50 crs before 31.03.2021.</p> <p>viii. Borrower to maintain banking/financial discipline.</p> <p>ix. Borrower is required to close current accounts with other Banks within 60 days of first disbursement.</p> <p>x. The company to maintain TNW and USL at Rs 15.20 Crs as on 31.03.2021.</p> <p>xi. Company to route entire business transaction with our bank's CC/current account only.</p> <p>xii. Firm shall not route any non-trade transactions from our CC account to any related parties/concerns in the form of investments and advances.</p> <p>xiii. The borrower should undertake not to divert working capital funds for long term purposes.</p> <p>xiv The firm shall submit necessary declaration/certification of UFCE as per Bank/RBI requirement on quarterly basis.</p>
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**Note:2 Terms and Condition of Sanction**

<b>Facility</b>	Term Loan Cum Hypothecation under pratham Scheme
<b>Amount</b>	Rs 37.98 Lakhs
<b>Purpose</b>	Purchase of Machinery under the pratham Scheme
<b>Type</b>	Hypothecation
<b>Interest Rate</b>	8.05% P.A.
<b>Maturity Date</b>	Repayment will be done in 60 monthly installments after a moratorium of 6 months from the date of first disbursement of the loan.
<b>Primary Security</b>	All the equipment, plants, machineries, and other assets which have been proposed to be acquired under the PRATHAM Scheme and located at Shed No. 22, Shreeji Krupa Industrial Estate, Tajpur Road, Changodar-382213.
<b>Guarantee</b>	<p><b>Personal Guarantee</b> Pritesh Yashwantlal Shah and Dimple Priteshkumar Shah</p> <p><b>Corporate Guarantee</b> Yash Chemex Limited</p>
<b>Margin</b>	NA
<b>Tenor</b>	60 months
<b>Covenants</b>	<p><b>Pre disbursement condition</b></p> <p>1.The borrower shall execute loan agreement, create security, execute deed of personal guarantee of Pritesh Yashwantlal Shah and Dimple Priteshkumar Shah, execute/furnish other documents, and comply with all stipulated pre disbursement conditions to the satisfaction of SIDBI.</p> <p>2 submit affidavit to the effect that:</p>

(a) the borrower /Promoter / Partners, managers, employees and guarantors are not connected in any way with the Directors of SIDBI and the Promoter are not relative of Directors of the Bank / Directors of other Banks / Fls and officers of the Banks/Fls.

(b) there is no court case initiated by other bank/ financial institution against the borrower/or the promoter/ Partners of the borrower.

(c) no proceedings under Income Tax Act are pending, no notice received, and no amount is in the arrears against income tax. Further, as on date there are no arrears of any other statutory dues pending, against the borrower, mortgagors.

(d) the borrower/ associate concerns/ Promoter / partners do not have any contingent liability on them. In future, such liability, if any, shall be settled by them without affecting SIDBI's interest.

3 it has not availed of and will not avail of any assistance/benefit from any other source/scheme, for the purchase of the proposed assets for which assistance under this project/scheme is being availed of by the Borrower.

4 The borrower shall agree that subsidy, if any, received from the State/ Central Government shall be utilized towards reduction of term loan or in a manner, as may be approved by SIDBI.

5 The borrower shall agree that SIDBI reserves the right to make payments directly to the machinery suppliers.

6. The borrower shall arrange to submit satisfactory credit opinion report from HDFC Bank from where the Concern is having credit facility.

7 The borrower agrees that the loan shall not be repayable in full or part before the due dates except after obtaining prior approval of SIDBI in writing, which may be granted subject to such conditions as SIDBI may deem fit including payment of interest on such prepayment of 3 % of the Loan Outstanding plus applicable GST

8 Agree Not to induct a person who is a director on the Board of a company which has been identified as a willful defaulter in terms of RBI guidelines and that in case such person is found to be on the Board of the company, it would take expeditious and effective steps for removal of the person from the Board.

9 Submit 60 post dated cheques towards the proposed loan.

10 furnish an undertaking that it has not availed of and will not avail of any assistance/ benefit from any source/ scheme, for the purchase of the assets for which the loan under the project/ scheme is being availed/ proposed to be availed of by the Borrower.

11 agree to the condition that the concern shall not effect any changes in the project /management of the concern, without the approval of SIDBI in writing.

12 The disbursement is subject to Satisfactory Due Diligence Report of the machinery supplier.

13 Agree to provide 'Right To Access' from the lessor namely Abhin Pharmaceuticals, proprietor of Shri Bimal Shah.

14. Shall provide corporate guarantee of Yash Chemex Ltd to the satisfaction of SIDBI.

15. Deposit with SIDBI duly discharged term deposit receipts [TDRs] issued by bank for face value of ₹15.20 lakh (Rupees Fifteen Lakh Twenty Thousand Only) and also extension of earlier deposit of ₹12.60 lakh for the proposed loan. The

	<p>interest accrued on the TDRS shall not be payable periodically and the principal amount together with interest accrued thereon shall be payable on maturity of TDRS. The maturity period of TDRS shall be till the currency of the loan.</p> <p><b>Other Conditions:</b></p> <p>1 not induct a person who is a director on the Board of a company which has been identified as a willful defaulter in terms of RBI guidelines and that in case such person is found to be on the Board of the company, it would take expeditious and effective steps for removal of the person from the Board.</p> <p>2 agree that no dividend shall be paid to the shareholders if there is any overdue in SIDBIS loan account or borrower has incurred loss.</p> <p>3 agree that dealings with associate concerns shall be on commercial basis.</p> <p>4 The borrower shall intimate to SIDBI within 30 days of any loans having been granted to its subsidiaries/ associate concerns at a rate of interest lower than the rate at which the company has borrowed the funds from SIDBI/ its bankers/ other financial institutions, failing which SIDBI shall be at liberty to take appropriate action SIDBI/ its bankers/other financial institutions, failing which SIDBI shall be at liberty to take appropriate action the borrower.</p> <p>5 agree to submit original insurance policy of all the assets hypothecated to SIDBI for gross value of all the assets with Bank Clause and RIV clause and covering the risks as per SIDBI guidelines and agree to renew the same and submit to SIDBI the original renewed insurance policy from time to time during the currency of the loan.</p> <p>6 agree to display Hypothecated to SIDBI on all the major items of movable assets hypothecated or at prominent/ major places for clear visibility to all, during the currency of the loan, to the satisfaction of SIDBI</p> <p>7 During the currency of the SIDBI loan, the borrower shall not create any charge, lien or transfer, dispose of or alienate in any manner its assets (charged to SIDBI) without prior written permission of SIDBI.</p> <p>8. The Borrower shall agree that SIDBI shall have right to inspect the assets of the borrower during currency of SIDBI's loan.</p> <p>9 All other conditions applicable for the earlier loans shall apply mutatis mutandis for the present loan also.</p>
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**Note:3 Terms and Condition of Sanction**

<b>Facility</b>	auto-loan
<b>Amount</b>	₹ 29.16 Lakhs
<b>Purpose</b>	Purchase of Vehicle
<b>Type</b>	Hypothecation
<b>Interest Rate</b>	Mercedes GLA200 interest rate is 8.25%
<b>Maturity Date</b>	April 05, 2025
<b>Primary Security</b>	Mercedes GLA200



<b>Margin</b>	As may be stipulated by the Bank from time to time.
<b>Tenor</b>	84 months

**Note:4 Terms and Condition of Sanction**

<b>Facility</b>	auto-loan
<b>Amount</b>	Rs 8.13 Lakhs
<b>Purpose</b>	Purchase of Vehicle
<b>Type</b>	Hypothecation
<b>Interest Rate</b>	Mahindra TUV interest rate is 9 %
<b>Maturity Date</b>	April 05, 2025
<b>Primary Security</b>	Mahindra TUV
<b>Margin</b>	As may be stipulated by the Bank from time to time.
<b>Tenor</b>	84 months

**Unsecured Borrowings**

The Company have also availed certain Unsecured Borrowings. Set forth below is a brief summary of Unsecured Borrowings as of September 30, 2022.

<b>Sr. No</b>	<b>Particulars</b>	<b>Outstanding Amount as on September 30, 2022</b>	<b>Outstanding Amount as on March 31, 2022</b>
	ICICI Bank	47.57	31.85
	Baja Finserv Limited	15.87	

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this chapter, there are no outstanding (I) criminal proceedings, (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoter in the last five Fiscals, 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, Promoter, Directors, Group Company and LLP, (the “**Relevant Parties**”).

For the purpose of (V) above, our Board in its meeting held on December 09, 2022, has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties.

In terms of the Materiality Policy, for (i) Identification of Group Companies, (ii) Identification of material litigation (excluding criminal proceedings, statutory/ regulatory actions and taxation matters), and (iii) identification of ‘material’ outstanding dues to creditors, 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 10% of the total revenue as on latest financials.
- b) the outstanding dues to creditors in excess of 10% of Trade Payable as on latest financials.

Unless otherwise stated to the contrary, the information provided is as of the date of this Draft Prospectus.

### CONTINGENT LIABILITIES OF OUR COMPANY

As on December 31, 2022, our Company has the following Contingent Liabilities:

Sr.no.	Particulars	Rs In Lakhs
1.	Income Tax demands / Notices before CIT Appeals / TDS	0.43
2.	Bank Guarantees / Corporate Guarantees	NIL
<b>Total</b>		<b>0.43</b>

#### A. LITIGATION INVOLVING OUR COMPANY

##### Litigation against Our Company

(i) **All criminal proceedings:**

NIL

(ii) **All actions by regulatory authorities and statutory authorities:**

NIL

(iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against our Company in the last five financial years including outstanding action:**

NIL

(iv) **Claims related to direct and indirect taxes:**

**Direct Tax:**

a. **Income Tax:**

As per website of Income Tax Department for outstanding tax demand, following defaults in the payment of Income Tax by the Company are still outstanding:

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	Outstanding Demand (Rupees in Lakhs)	Status
2018	143(1)a	2019201837016102284C	April 15, 2019	0.43	Pending
<b>Total</b>				<b>0.43</b>	

**b. Tax Deducted at Source (TDS)**

Nil

**Indirect Tax:**

NIL

**(v) Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

NIL

**Litigation by Our Company**

**(i) All criminal proceedings:**

NIL

**(ii) All actions by regulatory authorities and statutory authorities:**

NIL

**(iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against our Company in the last five financial years including outstanding action:**

NIL

**(iv) Claims related to direct and indirect taxes:**

**Indirect Tax:**

NIL

**(v) Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

NIL

**B. LITIGATION INVOLVING OUR DIRECTORS**

**Litigation against Our Directors**

**(i) All criminal proceedings:**

NIL

**(ii) All actions by regulatory authorities and statutory authorities:**

NIL

**(iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against our directors in the last five financial years including outstanding action:**

NIL

(iv) **Claims related to direct and indirect taxes:**

**Direct Tax:**

**a. Income Tax:**

As per website of Income Tax Department for outstanding tax demand, following defaults in the payment of Income Tax by the Director are still outstanding:

Assessment Year	Section Code	Demand Number	Reference	Date on which demand is raised	Outstanding Demand (₹ in Lakhs)	Status
Pritesh Yashwantlal Shah						
2007	147	2014200710013267005T		March 20, 2015	0.38	Pending
2013	147	2021201337005309354T		March 31, 2022	190.34	Pending
2013	143(3)	2015201310008598084T		January 29, 2016	1.12	Pending
2015	147	2021201537005309435T		March 31, 2022	124.82	Pending
2016	147	2021201637005309574T		March 31, 2022	167.97	Pending
2016	147	2021201637005309574T		March 31, 2022	0.57	Pending
2019	143 (1)a	2019201937115635414T		February 26, 2020	Negligible	Pending
2020	143 (3)	2022202037117058505T		September 26, 2022	543.89	Pending
<b>TOTAL</b>					<b>1029.08</b>	

**b. Tax Deducted at Source (TDS):**

Sr. No	Financial Year	Total Default (₹ in Lakhs)
Pritesh Yashwantlal Shah		
1.	2020-21	0.02
<b>Total</b>		<b>0.02</b>

**Indirect Tax:**

NIL

(v) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

NIL

**Litigation by Our Directors**

**(i) All criminal proceedings:**

NIL

**(ii) All actions by regulatory authorities and statutory authorities:**

NIL

**(iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against the directors in the last five financial years including outstanding action:**

NIL

**(iv) Claims related to direct and indirect taxes:**

NIL

**(v) Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

NIL

**C. LITIGATION INVOLVING OUR PROMOTER:**

**CONTINGENT LIABILITIES OF OUR PROMOTER**

As on December 31, 2022, our Promoter has the following Contingent Liabilities:

Sr.no.	Particulars	Amount (in Rupees)
1.	Bank Guarantees / Corporate Guarantees	
	Axis Bank	200.00
	SIDBI	37.98
<b>Total</b>		<b>237.98</b>

**Litigation against Our Promoter**

**(i) All criminal proceedings:**

NIL

**(ii) All actions by regulatory authorities and statutory authorities:**

NIL.

**(iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoter in the last five financial years including outstanding action;**

- BSE Limited had imposed the penalty of ₹ 53,100 on January 22, 2020, under Regulation 23(9) of SEBI (LODR) Regulations, 2015 i.e., Non-compliance with disclosure of related party transactions on consolidated basis for the half year ended March 2022. The Promoter Company has paid off the said penalty of ₹ 53,100/- on July 28, 2022.
- BSE Limited had imposed the penalty of ₹ 11,800 on December 10, 2019, under Regulation 29 of SEBI (LODR) Regulations, 2015 i.e., Delay in furnishing prior intimation about the meeting

of the board of directors. The Promoter Company has paid off the said penalty of ₹ 11,800/- on December 24, 2019.

**(iv) Claims related to direct and indirect taxes:**

**Direct Tax:**

**a. Income Tax:**

As per website of Income Tax Department for outstanding tax demand, following defaults in the payment of Income Tax by the Promoter are still outstanding:

Assessment Year	Section Code	Demand Reference Number	Date on which demand is raised	Outstanding Demand (Rupees in Lakhs)	Status
<b>YASH CHEMEX LIMITED</b>					
2011	143(3), 147	Not Available	December 20, 2018	138.26	Pending
2011	154	2021201110000118012C	September 2, 2021	116.12	Pending
2012	154	2021201240408341902C	January 28, 2022	104.54	Pending
2013	147	2018201310001508741C	November 28, 2018	5.10	Pending
2013	271(1)(c)	2019201340402236664C	May 17, 2019	3.09	Pending
2014	143(3)	2016201410004969084C	December 9, 2016	Negligible	Pending
2016	143(1)(a)	2016201637059197492C	December 13, 2016	0.39	Pending
2020	143(3)	2022202037113238661C	September 16, 2022	0.85	Pending
<b>TOTAL</b>				<b>368.35</b>	

**b. Tax Deducted at Source (TDS)**

Sr. No	Financial Year	Total Default (Rs in Lakhs.)
2.	2020-21	0.07
3.	2020-21	0.15
<b>Total</b>		<b>0.21</b>

**Indirect Tax:**

NIL

- (v) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

NIL

**Litigation by Our Promoter**

- (i) **All criminal proceedings:**

NIL

- (ii) **All actions by regulatory authorities and statutory authorities:**

NIL

- (iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoter in the last five financial years including outstanding action:**

NIL

- (iv) **Claims related to direct and indirect taxes:**

**Direct Tax:**

NIL

**Indirect Tax:**

NIL

- (v) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

NIL

**D. LITIGATION INVOLVING OUR GROUP COMPANY**

**Litigation against Our Group Company**

- (i) **All criminal proceedings:**

NIL

- (ii) **All actions by regulatory authorities and statutory authorities:**

NIL

- (iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against the group company in the last five financial years including outstanding action:**

NIL

- (iv) **Claims related to direct and indirect taxes:**

NIL

- (v) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

NIL

**Litigation by Our Group Company**

**(i) All criminal proceedings;**

NIL

**(ii) All actions by regulatory authorities and statutory authorities;**

NIL

**(iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against the Group Company in the last five financial years including outstanding action;**

NIL

**(iv) Claims related to direct and indirect taxes:**

NIL

**(v) Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

NIL

**E. LITIGATION INVOLVING LLP (RISHIT POLYSURF LLP.)\*:**

*\*The Issuer Company has 99% stake in the abovementioned LLP.*

**Litigation against LLP:**

**(i) All criminal proceedings:**

NIL

**(ii) All actions by regulatory authorities and statutory authorities:**

NIL

**(iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against the group company in the last five financial years including outstanding action:**

NIL

**(iv) Claims related to direct and indirect taxes:**

**Direct Tax:**

**a. Income Tax:**

NIL

**b. Tax Deducted at Source (TDS):**

Sr. No	Financial Year	Total Default (Rs in Lakhs.)
1.	2022-23	0.03
<b>Total</b>		<b>0.03</b>

**(v) Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

NIL



### **Litigation by LLP:**

**A. All criminal proceedings;**

NIL

**B. All actions by regulatory authorities and statutory authorities;**

NIL

**C. Disciplinary action including penalty imposed by SEBI or stock exchanges against the Group Company in the last five financial years including outstanding action;**

NIL

**D. Claims related to direct and indirect taxes:**

NIL

**E. Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

NIL

### **MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Other than as stated in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Material Developments Subsequent To March 31, 2022" on page **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION** 241 of this Draft Prospectus, there have not arisen, since the date of the last financial information disclosed in this Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

### **OUTSTANDING DUES TO CREDITORS**

As of December 31, 2022, we had 49 creditors. The aggregate amount outstanding to such creditors as on December 31, 2022 was ₹574.52 Lakhs.

As per the Materiality Policy, such list of creditors, who are in excess 10 % of the total trade payables as on March 31, 2022 was Rs 58.60 Lakhs and accordingly, creditors to whom outstanding dues exceed ₹ 58.60 lakhs have been considered as material creditors for the purposes of disclosure in this Draft Prospectus.

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at June 30, 2022, by our Company, are set out below:

<b>Types of Creditors</b>	<b>Number of Creditor</b>	<b>Amount due (in ₹ Lakhs)</b>
MSMEs	5	150.98
Material Creditor		10.94
Other Creditors	24	412.90

The details pertaining to amounts due towards the material creditors are available on the website of our Company at ([www.yasonschemexcare.com](http://www.yasonschemexcare.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.yasonschemexcare.com](http://www.yasonschemexcare.com), would be doing so at their own risk.

## GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of sustainable technology provider to generate clean fuel from various waste streams, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer to the chapter titled “**Key Industry Regulations and Policies**” on page no. 118 of this Draft Prospectus.

The Company has its business located at:

<b>Registered Office:</b>	412, 4 <sup>th</sup> Floor, Sigma Icon -1, 132ft Ring Road, Opp. Medilink Hospital, Satellite, Ahmedabad Gujarat 380 015.
<b>Manufacturing Locations</b>	Unit – 1 Changodar – 22, Shreeji Krupa Industrial Estate, Tajpur Road, Changodar, Sanand, Ahmedabad, Gujarat – 382 213.
	Unit – 2 Vatva – A-1/329, Phase-II, GIDC, Vatva, Ahmedabad, Gujarat – 382 445.
<b>Warehouse</b>	4C, Devdiwala compound, Mattan Galli, Near Jagdish Process, Narol, Ahmedabad-382405

Further, except as mentioned herein below, our Company has not yet applied for any licenses for the proposed activities as contained in the chapter titled ‘**Objects of the Issue**’ beginning on page no. 91 of this Draft Prospectus to the extent that such licenses/approvals may be required for the same.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

### **APPROVALS FOR THE ISSUE**

#### **Corporate Approvals:**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on December 09, 2022 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1) (c) of the Companies Act 2013, by a special resolution passed in the Extra-Ordinary General Meeting/Annual General Meeting held on December 20, 2022 authorized the Issue.
3. The Draft Prospectus has been approved and adopted by the Board of Directors of our Company in their meeting held on January 20, 2023

#### **In- principle approval from the Stock Exchange**

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated [●] bearing reference no. [●].

#### **Agreements with NSDL and CDSL**

- 1) The Company has entered into an agreement dated June 07, 2019, with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, KFin Technologies Limited for the dematerialization of its shares.
- 2) Similarly, the Company has also entered into an agreement dated December 15, 2022, with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is KFin Technologies Limited for the dematerialization of its shares

- 3) The Company's International Securities Identification Number (“ISIN”) is ‘INE08S201019’.

**Lenders Consent:**

Our Company has received the consent letter from the following:

NOC dated January 11, 2023, from SIDBI.

NOC dated January 06, 2023, from Axis Bank Limited

**I. ISSUER COMPANY**

**INCORPORATION AND OTHER DETAILS**

1. The Certificate of Incorporation dated October 17, 2017, issued by the Registrar of Companies, in the name of “**Yasons Chemex Care Limited**”.
2. The Corporate Identification Number (CIN) of the Company is U24304GJ2017PLC099511

**APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES**

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Expiry
1	Udyog Aadhar Memorandum/ Entrepreneurs Memorandum for setting Micro, Small and Medium Enterprises Unit	General Manager, District Industries Centre, Ahmedabad	GJ01B0086285	Perpetual
2	Certificate of Importer-Exporter Code (IEC)	Additional Director General of Foreign Trade, Ahmedabad, Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India	AAACY9354L	Perpetual
3	Food and Drug Administration (FDA) License	Joint Commissioner, (Medicines) Food & Drugs Control Administration, Gandhinagar, Gujarat	GC/1363	January 31, 2023

**TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

Sr. No.	Authorization Granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAACY9354L	October 17, 2017	Perpetual

2	Tax Deduction Account Number (TAN)	Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India	AHMY01005E	October 24, 2017	Perpetual
3	Goods and Service Tax Identification Number (GSTIN)	Ministry of Finance, Government of India	24AAACY9354L1ZU	November 03, 2017	Perpetual
4	Professional Tax Enrolment Certificate (PTEC) under Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976)	Assist. Manager, Amdavad Municipal Corporation	PEC-010748001947	July 27, 2020	Perpetual

**INTELLECTUAL PROPERTY RELATED APPROVALS/ REGISTRATIONS: TRADEMARKS**

Sr. No	Trademark	Issuing Authority	Class	Applicant	Trade Mark No.	Issued Date	Validity/ Renewal
1	PLXO	Trade Marks Registry, Government of India	3	Yasons Chemex Care Limited	3855804	December 07, 2018	December, 2028
2	PLXO KESHA'Z HAIRE SURRECT	Trade Marks Registry, Government of India	3	Yasons Chemex Care Limited	4105431	August 26, 2019	August, 2029

**ENVIRONMENTAL RELATED APPROVALS/ REGISTRATIONS**

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Expiry
1	Consent to Establish (CTE) under Section 25 of the Water Act, 1974	Regional Officer, Ahmedabad Rural, Gujarat Pollution Control Board	CTE – 31395	Not Applicable
2	Provisional Consent Order (CTE) for Consent to Establish (CTE) under	Member Secretary, Gujarat Pollution Control Board	CTE – 41434	March 26, 2025

	Section 25 of the Water Act, 1974			
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#### **OTHER BUSINESS RELATED APPROVALS**

Sr. No.	Description	Authority	Certificate No. & Date	Date of Expiry
1	ISO 9001:2015 Quality Management System for 'Goods Manufacturing Practice (GMP)' System	QRO Certification LLP	Certificate No. 304920052805Q dated May 28, 2020	May 27, 2023
2	Certificate of Compliance for Alcohol based Hand Sanitizers, Body Sanitizers etc.	UK Certification & Inspection Limited	Certificate No. CE – 4719 dated May 28, 2020	May 27, 2023

#### **PENDING APPROVALS:**

Sr. No.	Description	Application Number	Date of Application	Status
1.	Factory License under Directorate Industrial Safety & Health, Gujarat State for Unit – 1 Changodar	FW/PAR/2022/1165	December 15, 2022	Pending
2.	Factory License under Directorate Industrial Safety & Health, Gujarat State for Unit – 2 Vatva	2485914	December 15, 2022	Pending

## II. RISHIT POLYSURF LLP

#### **APPROVALS/LICENSES RELATED TO THE BUSINESS ACTIVITIES**

We require various approvals and/ or licenses under various rules and regulations to conduct the business of the LLP. Some of the material approvals required by us to undertake the business activities are set out below:

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Expiry
1.	LLP Identification Number	Ministry of Corporate Affairs	AAD-1561	Perpetual
2	Entrepreneurs Memorandum for setting Micro, Small and Medium Enterprises Unit	General Manager District Industries Centre, Ahmedabad	EM12400712007480	Perpetual
3	Certificate of Importer- Exporter Code (IEC)	Additional Director General of Foreign Trade, Ahmedabad,	0815900678	Perpetual

		Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India		
4	Factory License under Directorate Industrial Safety & Health, Gujarat State	Deputy Director Industrial Safety and Health, Ahmedabad	22841	December 31, 2027
5	Storage of Petroleum not exceeding 15KL Class C	Dy. Chief Controller of Explosives	A/P/WC/GJ/15/152 (P359242)	NA
6.	Certificate for use of Boiler	Gujarat Boiler Inspection Department	GT-7195	September 14, 2023

### **TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

Sr. No.	Authorization Granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1	Permanent Account Number (PAN)	Income Tax Department, Government of India	AARFR9105N	January 07, 2015	Perpetual
2	Tax Deduction Account Number (TAN)	Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India	AHMR09692E	March 09, 2020	Perpetual
3	Goods and Service Tax Identification Number (GSTIN)	Ministry of Finance, Government of India	24AARFR9105N1ZL	July 07, 2018	Perpetual
4	Central Excise Registration Certificate	Deputy Commissioner of Central Excise	AARFR9105NEM001	April 16, 2015	Perpetual
5.	Service tax Registration Certificate	Central Board of Excise and Customs	AARFR9105NSD001	May 11, 2015	Perpetual

## 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 December 09, 2022 subject to the approval of shareholders of our Company through a special resolution to be passed, pursuant to Section 62(1)(c) of the Companies Act, 2013.

The members of our Company have approved this Issue by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extraordinary General Meeting of our Company held on December 20, 2022.

Our Board has approved this Draft Prospectus through its resolution dated January 20, 2023

We have received In-Principle Approval from NSE Limited vide their letter dated [ ● ] to use the name of NSE Limited in this Offer Documents for listing of our Equity Shares on EMERGE Platform of NSE Limited. NSE Limited is the Designated Stock Exchange.

### PROHIBITION BY THE SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoter, our Promoter Group, our Directors, of our Company, the members of the Promoter Group and the persons in control of our Promoter are not prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities as on date of this Draft Prospectus.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Further, none of our Promoter or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

### ASSOCIATION WITH SECURITIES MARKET

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as Promoter or directors.

### PROHIBITION BY RBI

Neither our Company, our Promoter, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter or a fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter titled “*Outstanding Litigations and Material Development*” beginning on page 256 of this Draft Prospectus.

### DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are, in any manner, associated with the securities market. Further, there are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Prospectus.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, Promoter and members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 as amended (“**SBO Rules**”), to the extent applicable to each of them as on the date of this Draft Prospectus.

### 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 Issue” 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 face value capital is more than ten crore rupees and up to 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 EMERGE Platform of NSE Ltd. Our Company also complies with eligibility conditions laid by EMERGE Platform of NSE Ltd for listing of Equity Shares.

**We confirm that:**

- a. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, 2018, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- b. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Issue has been one hundred (100) percent 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 refer to the chapter "**General Information**" beginning on page 60 of this Draft Prospectus.
- c. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee's in the issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4 (Four) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- d. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we here by confirm that we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of (3) 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 chapter titled "**General Information**" beginning on page 60 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 shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated June 07, 2019 and National Securities Depository Limited dated December 15, 2022 for establishing connectivity.

Our Company has a website i.e. <https://www.yasonschemexcare.com>

We confirm that we comply with all the below requirements/ conditions so as to be eligible to be listed on the NSE Emerge: -

There has been no change in the Promoter of the Company in the preceding one year from date of filing application to NSE Emerge.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the Emerge Platform of the NSE (NSE Emerge): -:

**1. The issuer should be a Company incorporated Under Companies Act, 2013**

Our Company was incorporated on October 17, 2017 at Ahmedabad as —Yasons Chemex Care Limited under the provisions of the Companies Act, 2013 with the Registrar of Companies, Gujarat vide certificate of incorporation bearing Corporate Identification Number U24304GJ2017PLC099511

**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 of the Company will be less than ₹ 25 crores.

### 3. Track Record

#### a) Our Company have a (combined) track record of at least 3 years.

Our Company has a track record of at least 3 years as on the date of filling Draft Prospectus.

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net Worth as per Restated Financial Statements	1,728.57	1,532.94	1,407.14

#### b) The company should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive

The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth as on March 31, 2022, 2021 and 2020 is positive

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Profit Before Tax as per Restated Financial Statements	251.12	181.62	157.73
Add Depreciation	12.94	14.90	11.77
Add Interest	35.56	23.08	5.32
Less Other Income	(111.81)	(27.42)	(20.58)
Operating profit (earnings before interest, depreciation and tax) from operation	187.80	192.18	154.24

#### 4. 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: INE08S201019

#### 5. Company shall mandatorily have a website.

Our Company has a live and operational website is [www.yasonschemexcare.com](http://www.yasonschemexcare.com)

#### 6. Other Listing Condition:

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.
- There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to NSE Limited for listing on EMERGE Platform of NSE Ltd.
- No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
- Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.

- e. None of the Directors of our Company have been categorized as a Willful Defaulter or fraudulent borrowers.
- f. The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the EMERGE Platform of the NSE Limited.

#### **COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS, 2018**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI (ICDR) Regulations, 2018. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations, 2018, with respect to the Issue.

#### **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 THIS OFFER DOCUMENT. THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING 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 THIS 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, FEDEX SECURITIES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 20, 2023 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 THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO, TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS 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 OF THE COMPANIES ACT, 2013.**

The filing of this Offer Documents does not, however, absolve our Company from any liabilities under Section 34, Section 35, Section 36 and Section 38 (1) of 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.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Ahmedabad in terms of sections 26, 32 and 33 of the Companies Act, 2013.

#### **DISCLAIMER FROM OUR COMPANY, OUR DIRECTORS AND THE LEAD MANAGER**

Our Company, our 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 our instance and anyone placing reliance on any other source of information, including our Company's website [www.yasonschemexcare.com](http://www.yasonschemexcare.com). would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement entered into between the Underwriters and our Company. All information shall be made available by our Company and the LM to the investors and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates for which they have received and may in future receive compensation.

#### **CAUTION**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, AIFs state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this 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 jurisdiction of the competent court(s) in Ahmedabad, Gujarat, India only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with NSE Limited for its observations and NSE Limited will give its observations in due course. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE SME PLATFORM OF NSELIMITED**

As required, a copy of this Draft Prospectus has been submitted to EMERGE Platform of NSE Ltd. The Disclaimer Clause as intimated by the NSE Limited to us, post scrutiny of this Draft Prospectus will be produced by our Company in the Prospectus.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT.**

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity 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**

Our company has obtained In-Principal approval from NSE Limited vide letter dated [●] to use name of NSE Limited in this offer document for listing of equity shares on EMERGE Platform of NSE Ltd, with which Basis of Allotment will be finalized.

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is requirement of obtaining In-principle approval from EMERGE Platform of NSE Ltd. Application will be made to the Emerge Platform of NSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE Limited is 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 EMERGE Platform of NSE Ltd is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within such time prescribed by SEBI or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the EMERGE Platform of NSE mentioned above are taken within 6 Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue 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.

## CONSENTS

The written consents of our Promoter, Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Reviewed Auditor, Legal Advisor to the Issue, Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter\*, Market Maker\*, Banker to Issue and Sponsor Bank\* to act in their respective capacities have been obtained and will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

\*The aforesaid will be appointed prior to filing of Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. H S K & Co. LLP, Peer Review Auditors, of the Company have agreed to provide their written consent to the inclusion of their report, Restated Financial Statements and statement of Tax Benefits dated January 01, 2023 and January 01, 2023, respectively, which may be available to the Company and its shareholders, included in this Draft 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.

## 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) vis-à-vis 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, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## 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 Fedex Securities Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Lead Manager at [www.fedsec.in](http://www.fedsec.in)

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY  
FEDEX SECURITIES PRIVATE LIMITED**

**TABLE 1**

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Kuberan Global Edu Solutions Limited	1.16	20	May 05, 2021	21.00	-7.50% (7.30%)	-10.25% (8.78%)	-30.00% (24.95%)
2.	Aashka Hospitals Limited	101.64	121	September 01, 2021	121.1	-58.68% (3.12%)	-64.34% (-0.14%)	-62.89% (-1.90%)
3.	Euro Panel Products Limited	45.15	70	December 24, 2021	70.00	62.36% (0.85%)	39.29% (1.42%)	36.14% (-8.03%)
4.	Wherrelz IT Solutions Limited	2.011	171	December 29, 2021	173.05	19.88% (-0.92%)	18.13% (-0.37%)	16.96% (-8.11%)
5.	Sunrise Efficient Marketing Limited	16.69	121	April 12, 2022	121.25	0.41% (-7.66%)	-20.00% (-7.14%)	-9.92% (-1.00%)
6.	Le Merite Exports Limited	48.00	75	May 09, 2022	75	-5.13% (0.70%)	-16.00% (7.50%)	-15.27% (11.14%)
7.	Kesar India Limited	15.82	170	July 12, 2022	172.5	47.35% (9.15%)	31.76% (7.62%)	1.18% (12.73%)
8.	Virtuoso Optoelectronics Limited	30.24	56	Thursday, September 15, 2022	117	183.75% (-3.36%)	145.54% (4.43%)	Not Applicable

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
9.	Tapi Fruit Processing Limited	5.21	48	Thursday, September 22, 2022	52.10	4.38% (-0.30%)	41.67% (4.29)	Not Applicable
10.	Moxsh Overseas Limited	10.42	153	December 30, 2022	131.00	Not Applicable	Not Applicable	Not Applicable

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

**Note:**

1. Opening price information as disclosed on the website of the Designated Stock Exchange.
2. Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
3. For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
4. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
5. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
6. This disclosure is restricted to last 10 issues handled by the Lead Manager.

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial year	Total no. of IPO	Total funds Raised (₹. Cr)	Nos of IPOs trading at discount on 30 <sup>th</sup> 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 %
2020-21	*2	49.64	-	-	1	-	-	1	-	-	1	1	-	-
2021-22	**5	153.99	1	-	2	1	-	1	1	1	-	-	1	2
2022-23	***6	126.38	-	-	1	1	1	2	-	-	3	-	-	1

\*The script of Atam Valves Limited and Rangoli Tradecomm Limited were listed on October 06, 2020 and March 22, 2021 respectively.

\*\* The script of Rajeshwari Cans Limited, Kuberan Global Edu Solutions Limited, Aashka Hospitals Limited Euro Panel Products Limited and Wherrelz IT Solutions Limited were listed on April 15, 2021, May 05, 2021, September 01, 2021, December 24, 2021 and December 29, 2021 respectively.

\*\*\* The scripts of Sunrise Efficient Marketing Limited, Le Merite Exports Limited and Kesar India Limited were listed on April 12, 2022, May 09, 2022 and July 12, 2022, respectively. The scripts of Virtuoso Optoelectronics Limited and Tapi Fruit Processing Limited were listed on September 15, 2022 and September 22, 2022, respectively and have not completed 180 calendar days. Moxsh Overseas Limited listed on December 30, 2022 and have not completed 30 calendar days

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided. Track Record of past issues handled by Fedex Securities Private Limited.

#### TRACK RECORD OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE 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.fedsec.in](http://www.fedsec.in).

#### EXPERT OPINION

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

Our Company has received written consent dated January 01, 2023, from H S K & CO LLP, Chartered



Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in the Offer Document, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated January 01, 2023 on our Restated Financial Statement; and (ii) their report dated January 01, 2023 on the statement of possible special tax benefits in the Offer Document and such consent has not been withdrawn as on the date of this Offer Document. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

#### **PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES BY OUR COMPANY DURING THE LAST FIVE YEARS AND PERFORMANCE VIS-À-VIS OBJECTS**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 69 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last Five (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.

None of our Group Companies have their equity shares listed on any stock exchange.

#### **COMMISSION OR BROKERAGE**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

#### **PERFORMANCE VIS-À-VIS OBJECTS – LAST ISSUE OF LISTED SUBSIDIARIES OR LISTED PROMOTER**

Our listed Promoter, Yash Chemex Limited, has not undertaken any public/ rights issue of its equity shares in the preceding five years. However, our Promoter is listed on SME platform of BSE Ltd as on June 20, 2016. Our promoter migrated from BSE SME Platform to BSE Mainboard Platform w.e.f. September 07, 2018 through BSE notice number 20180905-10.

Our Company does not have any listed subsidiaries.

#### **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS GRANTED BY SEBI**

Our Company has not undertaken any exemption with related to provision of securities law granted by SEBI.

#### **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**

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue 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 center 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 paid on application and designated branch or the collection center 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.

Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

## **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.

The Company shall obtain authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on December 22, 2022. For further details, please refer the chapter titled "***Our Management***" beginning on page no. 161 of this Draft Prospectus.

Our Company has also appointed Himali Maheshbhai Thakkar as 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:

**Himali Maheshbhai Thakkar**

4th floor, 412 Sigma Icon-1, 132ft Ring Road,

Opp. Medilink Hospital, Satellite, Ahmedabad, Gujarat-380015 India.

**Tel No:** +91 079400 28639

**Email:** [yccl@yashchemex.com](mailto:yccl@yashchemex.com)

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

## STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

## SECTION VIII – ISSUE INFORMATION

### TERMS OF ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, our Memorandum and Articles of Association, SEBI Listing Regulation, the terms of this Draft Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. 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, the RBI, ROC and/or other authorities, as in force on the date of the Issue and 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 and 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.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

#### **Authority for the Issue**

The present Public Issue of upto 51,42,000 Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on December 09, 2022 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-ordinary General Meeting held on December 20, 2022 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued and transferred in the issue shall be subject to the provisions of the Companies Act 2013 and our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and 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 refer the chapter titled “*Main Provisions of the Articles of Association*” beginning on page 326 of this Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and 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 chapters titled "*Dividend Policy*" and "*Main Provisions of Articles of Association*" beginning on pages 185 and 326 respectively of this Draft Prospectus.

### **Face Value and Issue Price**

*The face value of the Equity Shares is ₹ 10.00/- each and the Issue Price is ₹ [●]/- per Equity Share (including premium of ₹ [●]/- per Equity Share).*

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "*Basis for Issue Price*" beginning on page 100 of this Draft Prospectus.

At any given point of time there shall be only one denomination for the Equity Shares.

### **Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all applicable 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 in accordance with the provisions of the Companies Act, 2013;
- Right to receive offer/ issue 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 chapter titled "*Main Provisions of Articles of Association*" beginning on page 326 of this Draft Prospectus.

### **Minimum Application Value; Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by EMERGE Platform of NSE Ltd from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [ ● ] Equity Share subject to a minimum allotment of [ ● ] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

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 of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be fifty (50) shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs shall be unblocked within Four (4) working days of closure of issue.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Ahmedabad, Gujarat, India.

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.

#### **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.

#### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first applicant, along with other joint applicant, may nominate any one (1) 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 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 (90) 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**

<b>ISSUE OPENS ON</b>	[ ● ]
<b>ISSUE CLOSES ON</b>	[ ● ]
<b>FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE</b>	[ ● ]
<b>INITIATION OF REFUNDS / UNBLOCKING OF FUNDS FROM ASBA ACCOUNT</b>	[ ● ]
<b>CREDIT OF EQUITY SHARES TO DEMAT ACCOUNTS OF ALLOTTEES</b>	[ ● ]
<b>COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE</b>	[ ● ]

- *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 or for reason considered necessary by our Company, 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 Issue Period not exceeding ten (10) working days*

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on NSE EMERGE Platform of NSE Ltd taken within six (6) Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from EMERGE Platform of NSE Ltd. The Commencement of trading of the Equity Shares will be entirely at the discretion of NSE Limited and in accordance with the applicable laws.

**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. to 5.00 p.m. IST
<b>Issue Closing Date</b>	
Submission and Revision of Application Form	Only between 10.00 a.m. to 3.00 p.m. IST

***On the Issue Closing Date, the Applications shall be uploaded until:***

1. Until 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 Exchange, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by LM to the Stock Exchange.
3. In case of UPI Mandate, the end time and date shall be 12:00 P.M. on [ ● ].

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 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in the Prospectus are Indian Standard Time (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.

The above timetable is indicative and does not constitute any obligation or liability on our Company, our Promoter or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within Six (6) Working Days from the Issue Closing Date or such period as may be prescribed, with reasonable support and co-operation of the Promoter, as may be required in respect of its respective portion of the Offered Shares, the timetable may change due to various factors, such as extension of the Issue Period by our Board, as applicable, in consultation with the Lead Manager. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoter confirms that it shall extend such reasonable support and co-operation in relation to its respective portion of the Offered Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within Six Working Days from the Issue Closing Date or such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Issue, 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 Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding Four (4) Working Days from the Issue 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/prospectus may result in changes to the above-mentioned timelines. Further, the Issue 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.

**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 NSE EMERGE Platform of NSE Ltd 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 Issue through 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 Issued under the Prospectus, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond Four (4) 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 fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within Four (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 [ ● ] Equity 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 EMERGE Platform of NSE 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 (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 or the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one (1) 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 Promoter' minimum contribution in the Issue as detailed in the chapter titled "**Capital Structure**" beginning on page 69 of this 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 chapter titled "**Main Provisions of the Articles of Association**" beginning on page 326 of this Draft Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of 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.*

### **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 Promoter, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

**As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Allotment of Equity Shares Only in Dematerialized Form**

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be Allotted only in dematerialized form.

As per the existing SEBI ICDR Regulations, 2018 the trading of the Equity Shares shall only be in dematerialized 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 this Draft Prospectus:

- Tripartite agreement dated June 07, 2019 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated December 15, 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 Exchange. 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.

### **MIGRATION TO MAIN BOARD**

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board of NSE Limited from the EMERGE Platform of NSE Ltd on a later date subject to the following:

1. If the paid-up capital of the Company is likely to increase above ₹25 crores by virtue of any further offer of capital by way of rights, preferential offer, bonus offer etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE Limited for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
2. If the paid-up capital of the Company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **MARKET MAKING**

The shares offered through this issue is proposed to be listed on the EMERGE Platform of NSE Ltd wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the EMERGE Platform of NSE Ltd for a minimum period of three (3) years from the date of

listing of shares offered through this Prospectus. For further details of the market making arrangement please refer the chapter titled “***General Information***” beginning on page 60 of this Draft Prospectus.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue Face value capital is less than or equal to ₹ 10 crores, 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 NSE EMERGE). For further details regarding the salient features and terms of such an issue please refer chapters titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on pages 282 and 293 respectively of this Draft Prospectus.

Fresh issue of upto 51,42,000 Equity Shares of face value of ₹ 10.00/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the “issue price”) aggregating to maximum ₹ [●] Lakhs. (“the issue”) by our company.

Particulars	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares	[●]*	[●]
Percentage of Issue Size available for allocation	[●]	[●]
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of [●] Equity Shares and Further allotment in multiples of [●] Equity Shares each.	Firm Allotment
Mode of Application	Retail Individual Investor may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI ID) shall apply through ASBA process only.	Through ASBA mode Only.
Minimum Application Size	<p><b>For QIB and NII:</b></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2,00,000</p> <p><b>For Retail Individuals:</b></p> <p>Such number of equity shares where application size is of at least [●] Equity Shares.</p>	[●] Equity Shares
Maximum Bid	<p><b>For QIB and NII:</b></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed the Net Issue.</p> <p><b>For Retail Individuals:</b></p>	[●] Equity Shares

Particulars	Net Issue to Public	Market Maker Reservation Portion
	Such number of equity Shares so that the Application Value does not exceed ₹ 2,00,000/-	
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
Trading Lot	[ ● ] Equity Shares	[ ● ] Equity Shares, However the Market Maker may accept 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:*

- 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.*
- 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.*
- 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 293 of this Draft Prospectus.*

## ISSUE PROCEDURE

*All Applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular SEBI/HO/CFD/DIL2/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “General Information Document”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the LM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Applications by Retail Individual Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this chapter..*

*Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Issue 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) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.*

*SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. The final reduced timeline of T+3 days be made effective using the UPI Mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of this Draft Prospectus.*

*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.*

The revisions of the circular dated June 02, 2021 are elaborated as under: -

- SCSB's shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc. shall be included in SMS for Public Issues opening on/after January 01, 2022.
- The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Issues opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.
- In the interim, for the Public Issues opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB's etc., the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Public Issue process.
- The Stock Exchanges and Book Running Lead Managers shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Issue.
- The Registrar to the Issue shall provide the allotment/ revoke files to the Sponsor Bank by 8:00 PM on T+3 i.e., the day when the Basis of Allotment (BOA) has to be finalized.
- The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending applications for unblock, if any, to the Registrar to the Issue, not later than 5:00 PM on BOA+1.
- Subsequent to the receipt of the pending applications for unblock from the Sponsor Bank, the Registrar to the Issue shall submit the bank-wise pending UPI applications for unblock to the SCSBs, not later than 6:30 PM on BOA+1 and ensure that the unblocking is completed on T+4.

Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this chapter and the General Information Document and is not liable for any amendment, modification or change in the applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their application are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This chapter applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form. Further, the Company and the LM are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in this Issue.

## **PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, 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 the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

***Phase I:***

This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six working days.

***Phase II:***

This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till 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 payment mechanism. However, the time duration from public issue closure to listing continues 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.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI payment mechanism.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement of or SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

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 Issue 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. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.**

#### **ELECTRONIC REGISTRATION OF APPLICATIONS**

- a) The Designated Intermediary may register the Application using the online facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Fixed Process on a regular basis before the closure of the Issuer.
- b) On the Application/Issuer Closing Date, the Designated Intermediaries may upload the Applications till such time as may be permitted by the Stock Exchange and as disclosed in the Prospectus.

Only Applications that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 p.m. IST on the next Working Day following the Application/Issuer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Application/Issuer Period after which the Stock Exchange send the information to the Registrar to the Issue for further processing.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

Copies of the Application Form and the 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 Centres 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:

Category	Colour of Application Form
Resident Indians / 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.*

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.

Application Forms will also be available on the website of the NSE ([www.nseindia.com](http://www.nseindia.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).

### **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”).

<b>Sr No.</b>	<b>Designated Intermediaries</b>
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
4.	A depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	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

Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID/ClientID 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.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Application are deemed to have authorised our Company to make the necessary changes in the prospectus, without prior or subsequent notice of such changes to the Applicants.

### **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:

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;

15. Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRI)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

**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.**

**MAXIMUM AND MINIMUM APPLICATION SIZE**

### ***For Retail Individual Applicants***

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹ 2,00,000.

### ***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 [●] 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 Bid.

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.**

### **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 rematerialized 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**

As per the current regulations, the following restrictions are applicable for investments 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 (other than minor having valid depository accounts as per demographic details provided by the depository), Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

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. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such Application.

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 22 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").

- i. Equity shares of a company: the lower of 10% of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;
- ii. The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- iii. The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (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.

### **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 this Draft 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 chapter.**

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 and Electronic Registration of Application**

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 ₹ [●]/- 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 stream line 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 investor 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).

### **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.

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 RII 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 the chapter titled "*General Information*" on page 60 of this Draft Prospectus.

#### **FILING OF THE DRAFT PROSPECTUS**

For filing details, please refer to the chapter titled "*General Information*" beginning on page 60 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 AND 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 Book Running 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 ensure 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 Issue 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 Issue 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 Issue 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 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, UPI ID (if applicable), 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. Since the allotment will be in dematerialised form only, 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 authorization /undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account 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 LM 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, Applicant’s 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 (1<sup>st</sup> 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 (“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.

## **GROUND 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 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 the First Applicant or 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 Prospectus and as per the instructions in the 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;
- bb. Applications submitted on a plain paper.
- cc. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL AND 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 December 15, 2022 with NSDL, our Company and Registrar to the Issue;
- b) A tripartite agreement dated June 07, 2019 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN No: INE08S201019

- 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 Company Secretary and Compliance Officer or the Registrar to the Issue in case of any Pre-Issue or Post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.**

<p><b>YASONS CHEMEX CARE LIMITED</b>  4th floor, 412 Sigma Icon-1,  132ft Ring Road, Opp. Medilink Hospital,  Satellite,  Ahmedabad, Gujarat-380015 India.  <b>Tel No:</b> +91 079400 28639  <b>Email:</b> <a href="mailto:yccl@yashchemex.com">yccl@yashchemex.com</a>  <b>Website:</b> <a href="http://www.yasonschemexcare.com">www.yasonschemexcare.com</a></p>	<p><b>KFin Technologies Limited (formerly known as KFin Technologies Private Limited)</b>  Selenium, Tower-B Plot 31 and 32, Financial District  Nanakramguda, Serilingampally Hyderabad,  Rangareddi 500 032Telangana, India  <b>Telephone:</b> +91 40 6716 2222  <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a>  <b>Email id:</b> <a href="mailto:yasons.ipo@kfintech.com">yasons.ipo@kfintech.com</a>  <b>Investor grievance e-mail:</b>  <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>  <b>Contact person:</b> M Murali Krishna  <b>SEBI registration no.:</b> INR000000221</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 6 Working Days from the Bid/Issue 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 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.

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the Stock Exchange. In the event of over subscription, 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 [●] equity shares the allotment will be made as follows:
  - a. Each successful applicant shall be allotted [●] 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 [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] 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 [●] equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Prospectus.

6. Since present issue is a fixed price issue, the allocation in the net Issue 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 Issue 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 Issue 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 as specified 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.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**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.**

#### **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 Exchange from where such permission is sought are disclosed in this Draft Prospectus. The designated Stock Exchange may be as disclosed in the 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 Stock Exchange, the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of this 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 eight 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 this Draft Prospectus.

#### *Minimum Subscription*

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Draft 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 eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

#### *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 fifty (50), failing which the entire application monies may be refunded forthwith.

#### **MODE OF REFUNDS**

- a) **In case of ASBA Bids:** Within Four (4) Working Days of the Bid / Issue Closing Date, the Registrar to the Issue 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 Four (4) Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Issue may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

#### **MODE OF MAKING REFUNDS FOR APPLICANTS OTHER THAN ASBA APPLICANTS**

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;
- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the 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 chapter;
- (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 Issue will obtain from the Depository the demographic details including address, Applicant's 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 Issue 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 100% of the Issue, 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 this Draft Prospectus.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum (15% p.a.) if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However, applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

#### **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 Exchange 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 4 Working Days of the Issue Closing Date.

#### **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 / unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
6. 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
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. 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;

#### **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.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India has from time to time made policy pronouncements on Foreign Direct Investments (“**FDI**”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (“**DPIIT**”) issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the “**FDI Policy**”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

Under the current applicable sectoral cap, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present our Company is in the business of importing and trading of dyes, chemicals and intermediaries for Textile & Garment Industry, Water Treatment Industry, Laminate Industry Agrochemicals, Adhesives, Metal Industry among others. As these sectors/activities are not specifically listed under the FDI Policy 2020, it shall come under the Permitted Sectors category, hence 100 % foreign direct investment through automatic route is permitted subject to applicable laws/regulations, security and other conditionalities.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

### **Investment conditions/restrictions for overseas entities**

#### **i. Investment by FPIs under Portfolio Investment Scheme (PIS):**



FPIs are permitted to subscribe to Equity Shares of an Indian Company in a public issue without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. SEBI registered FPIs have been permitted to purchase shares of an Indian company through Issue, subject to total FPI investment being within the individual FPI investment limit of below 10% of the total paid-up equity capital of the Indian Company on a fully diluted basis and subject to the aggregate limit of all FPIs put together being 24% of the total paid-up equity capital of the Indian company on a fully diluted basis. However, this aggregate 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, respectively before March 31, 2020. With effect from April 01, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as laid out in sub-paragraph (b) of paragraph 3 of Schedule I of the FDI Policy, 2020, with respect to its paid-up equity capital on a fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants. The aggregate limit as provided above may be decreased by the Indian company concerned to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively before March 31, 2020. The Indian company which has decreased its aggregate limit to 24% or 49% or 74%, may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling respectively as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively; however, once the aggregate limit has been increased to a higher threshold, the Indian company cannot reduce the same to a lower threshold.

**ii. Investment by NRI or OCI on repatriation basis:**

As per Schedule 3 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, an NRI or OCI may purchase or sell shares of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions that NRIs or OCIs may purchase and sell shares through a branch designated by an authorised dealer for the purpose; and the total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the company.

**iii. Investment by NRI or OCI on non-repatriation basis**

As per Schedule 4 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, purchase by an NRI/OCI, including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs/OCIs, on non-repatriation basis of shares and convertible debentures or warrants issued by a company without any limit either on the stock exchange or outside, it will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. However, NRI/OCI, including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs/OCIs, is prohibited from making any investment, under Schedule 4, in capital instruments or units of a

Nidhi company or a company engaged in agricultural/ plantation activities or real estate business or construction of farm houses or dealing in transfer of development rights.

**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 unauthorized. 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 the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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 – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

**THE COMPANIES ACT, 2013 COMPANY LIMITED BY SHARES ARTICLES OF ASSOCIATION OF YASONS CHEMEX CARE LIMITED F AS NOTIFIED UNDER SCHEDULE I OF THE COMPANIES ACT, 2013 IS APPLICABLE TO THE COMPANY ARTICLES OF ASSOCIATION OF YASONS CHEMEX CARE LIMITED A COMPANY LIMITED BY SHARES**

### **1) In these regulations --**

(a) "The Company" or this company' means: YASONS CHEMEX CARE LIMITED.

(b) "the Act" means the Companies Act, 2013, and every statutory modification or re-enactment thereof and references to Sections or Rules of the Act shall be deemed to mean and include references to sections enacted in modification or replacement thereof.

(c) "these Regulations" means these Articles of Association as originally framed or as altered, from time to time.

(d) "the seal" means the common seal of the company.

(e) Expression referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in visible form.

(2) Unless the context otherwise requires, the words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modifications thereof, in force at the date at which these regulations become binding on the Company.

### **Share capital and variation of rights**

1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the 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.
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
  - (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
  - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
  - (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5. (i) The company may exercise the powers of paying commissions conferred by subsection (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.  
(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.  
(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.  
(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **Lien**

9. (i) The company shall have a first and paramount lien --
  - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:  
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 clause.
  - (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:  
Provided that no sale shall be made --
  - (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The 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.
12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **Calls on shares**

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent. per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. The Board—
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### **Transfer of shares**

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
20. The Board may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.
21. The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under subsection (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### **Transmission of shares**

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of

the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### **Forfeiture of shares**

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
28. The notice aforesaid shall—
  - (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
  - (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
  - (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
  - (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
  - (iii) The transferee shall thereupon be registered as the holder of the share; and
  - (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### **Alteration of capital**

34. 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.
35. Subject to the provisions of section 61, the company may, by ordinary resolution, —
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
36. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
- Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

#### **Capitalisation of profits**

38. (i) The company in general meeting may, upon the recommendation of the Board resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;



(C) partly in the way specified in sub-clause (A) and partly in that specified in subclause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

**39.** (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of shares**

**40.** Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **General meetings**

**41.** All general meetings other than annual general meeting shall be called extraordinary general meeting.

**42.** (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **Proceedings at general meetings**

**43.** (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

**44.** The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

**45.** If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

**46.** If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

### **Adjournment of meeting**

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **Voting rights**

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### **Proxy**

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **Board of Directors**

The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

58. The following shall be the first directors of the Company:-

1. Mr. Pritesh Yashwantlal Shah
2. Mr. Yashwantlal Chhananlal Shah
3. Mr. Sanjay Mahendra Vyas

59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

60. The Board may pay all expenses incurred in getting up and registering the company.

61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

62. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

64. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

### **Proceedings of the Board**

65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

66. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

68. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

69. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

70. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

71. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

74. Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

### **The Seal**

76. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

### **Dividends and Reserve**

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

79. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

80. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

82. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

- 84.** Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- 85.** No dividend shall bear interest against the company.

#### **Accounts**

- 86.** (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### **Winding up**

- 87.** Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **Indemnity**

- 88.** Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## **SECTION X – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The 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 filed with the Registrar of Companies for registration. 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 4th floor, 412 Sigma Icon-1, 132ft Ring Road, Opp. Medilink Hospital, Satellite, Ahmedabad, Gujarat-380015, India, between 10.00 a.m. and 5.00 p.m. (IST) on all Working Days from the date of the 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 January 05, 2023 between our Company and the Lead Manager.
2. Registrar Agreement dated December 30, 2022 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated [●], 2023 amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated [●], 2023 amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated [●], 2023 amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement dated June 07, 2019 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue.
7. Tripartite agreement dated December 15, 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 December 09, 2022 in relation to the Issue and other related matters.
3. Shareholders' resolution dated December 20, 2022 in relation to the Issue and other related matters.
4. Consents of our Promoter, Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory and Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Underwriter to the Issue, Bankers to our Company, Market Maker and Banker to the Issue to include their names in this Draft Prospectus and to act in their respective capacities.
5. Peer Review Auditors Report dated January 01, 2023 on Restated Financial Statements of our Company for the financial year ended on March 31, 2022, March 31, 2021 and March 31, 2020.

6. The Report dated January 01, 2023 from the Peer Reviewed 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 from NSE vide letter dated [ ● ] to use the name of NSE in this Draft Prospectus/ the Prospectus for listing of Equity Shares on EMERGE Platform of NSE Limited.
8. Due diligence certificate shall be submitted to SEBI by Lead Manager to the Issue.
9. Copies of the annual report of our Company for the financial year ended as on March 31, 2022, March 31, 2021 and March 31, 2020.
10. Board Resolution dated January 20, 2023 for approval of this Draft Prospectus
11. 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.



## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the 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 ALL THE DIRECTORS OF OUR COMPANY

NAME OF DIRECTOR AND DIN	DESIGNATION	SIGNATURE
<b>PRITESH YASHWANTLAL SHAH</b> DIN: 00239665	Managing Director cum Chairman	Sd/-
<b>DIMPLE PRITESHKUMAR SHAH</b> DIN: 06914755	Whole - Time Director	Sd/-
<b>ANGEE RAJENDRAKUMAR SHAH</b> DIN: 07486980	Independent Director	Sd/-
<b>SMIT KUMARPAL SHAH</b> DIN: 09803827	Independent Director	Sd/-
<b>VINOD KUMAR</b> DIN: 09803828	Independent Director	Sd/-

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

<b>KIRITKUMAR HARJIVANDAS SHAH</b> PAN: ADFPG0646A	SD/-
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**Date:** January 20, 2023

**Place:** Gujarat