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RED HERRING PROSPECTUS

December 20, 2022

Please read section 32 of the Companies Act, 2013
100% Book Built Issue



SAH POLYMERS LIMITED

Corporate Identification Number: U24201RJ1992PLC006657

| REGISTERED OFFICE | CORPORATE OFFICE | CONTACT PERSON |
|---|---|--|
| E-260-261 Mewar Industrial Area Madri Udaipur Rajasthan 313 003 | 121, B-Wing, Mittal Tower, Nariman Point, Mumbai- 400021, Maharashtra | Runel Saxena, Company Secretary and Compliance Officer |
| EMAIL | TELEPHONE | WEBSITE |
| cs@sahpolymers.com | +91 294 2493889 | www.sahpolymers.com |

OUR PROMOTER: SAT INDUSTRIES LIMITED

DETAILS OF THE PUBLIC ISSUE

| TYPE | FRESH ISSUE SIZE (Rs. IN LAKHS) | OFS SIZE | TOTAL ISSUE SIZE (Rs. IN LAKHS) | ELIGIBILITY- 6(1)/6(2) & SHARE RESERVATION AMONG QIBs, NIIs & RIIs |
|-------------|--|----------------|---|--|
| Fresh Issue | Up to 1,02,00,000 [^] Equity Shares aggregating up to Rs. [●] Lakhs | Not applicable | Initial public Issue of up to 1,02,00,000 [^] Equity Shares of face value of ₹ 10 each (“Equity Shares”) aggregating up to ₹ [●] Lakhs (“Offer”) | The Issue is being made pursuant to Regulation 6(2) of the SEBI ICDR Regulations. For details in relation to share allocation among QIBs, NIIs and RIIs, see “Issue Structure” on page 228 |

[^] Subject to finalization of the Basis of Allotment

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public Issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10 each. The Floor Price, Cap Price and the Issue Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “Basis for Issue Price” on page 106 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing

GENERAL RISK

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


ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited and National Stock Exchange of India Limited.. Our Company has received ‘in-principle’ approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated July 29, 2022 and July 29, 2022, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A copy of this Red Herring Prospectus and the Prospectus shall be delivered for filing with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date, see “Material Contracts and Documents for Inspection” on page 328

BOOK RUNNING LEAD MANAGER

| BOOK RUNNING LEAD MANAGER | CONTACT PERSON | EMAIL AND TELEPHONE |
|---|--------------------------------|---|
|  Pantomath Capital Advisors Private Limited | Bharti Ranga/ Punam Thadeshwar | Email: ipo@pantomathgroup.com Telephone: 91 22 6194 6700 |

REGISTRAR TO THE ISSUE

| NAME OF THE REGISTRAR | CONTACT PERSON | EMAIL AND TELEPHONE |
|-----------------------------------|----------------------|--|
| Link Intime India Private Limited | Shanti Gopalkrishnan | E-mail: Sahpolymers.ipo@linkintime.co.in Telephone: +91 22 4918 6200; |

BID / ISSUE PROGRAMME

| | |
|------------------------------|-----------------------------|
| ANCHOR INVESTOR BIDDING DATE | December 29, 2022, Thursday |
| BID OPENS ON | December 30, 2022, Friday |
| BID CLOSES ON | January 04, 2023, Wednesday |

*Our Company in consultation with the BRLM may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issuer Opening Date.



SAH POLYMERS LIMITED

Our Company was originally incorporated as a public limited company under the name and style of "Peacock Continental Limited" at Udaipur Rajasthan, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 20, 1992 issued by the Registrar of Companies, Jaipur Rajasthan bearing number 17-06657 of 1992-93. We commenced commercial operations pursuant to a Certificate of Commencement of Business dated November 04, 1992. The name of our company was changed to "Sah Polymers Limited". Consequent upon change of name a fresh Certificate of Incorporation dated July 24, 1998 was issued by Registrar of Companies, Jaipur Rajasthan. The Corporate Identification Number of our company is U24201RJ1992PLC006657. For details of the change in the name and the registered office of our Company, see "History and Certain Corporate Matters" on page 147.

Registered Office: E-260-261 Mewar Industrial Area Madri Udaipur Rajasthan 313003. **Tel:** +91 294 2493889
Corporate Office: 121, B-Wing, Mittal Tower, Nariman Point, Mumbai- Maharashtra-400021 **Tel:** +91 22 22042019
Contact Person: Runel Saxena, Company Secretary and Compliance Officer; **E-mail:** cs@sahpolymers.com;
Website: www.sahpolymers.com **CIN:** U24201RJ1992PLC006657

OUR PROMOTER: SAT INDUSTRIES LIMITED

INITIAL PUBLIC OFFERING OF UP TO 102,00,000* EQUITY SHARES OF FACE VALUE OF Rs.10 EACH ("EQUITY SHARES") OF SAH POLYMERS LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF Rs.[•] PER EQUITY SHARE (INCLUDING A PREMIUM OF Rs.[•] PER EQUITY SHARE)("ISSUE PRICE") AGGREGATING UP TO Rs.[•]LAKHS ("ISSUE"). THE ISSUE WILL CONSTITUTE [•] % OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL.

THE FACE VALUE OF THE EQUITY SHARES IS Rs.10 EACH AND THE ISSUE PRICE IS [•] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, HINDI EDITION OF THE HINDI DAILY NEWSPAPER PRATHAKAL (HINDI BEING THE REGIONAL LANGUAGE OF UDAIPUR, RAJASTHAN WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO (TWO) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE, AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

In case of any revision in the Price Band, the Bid/ Issue Period will be extended by at least 3 (three) additional Working Days after such revision in the Price Band, subject to the Bid/ Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 (ten) Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"). This Issue is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company may in consultation with the BRLM allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Portion (excluding Anchor Investor Portion) (the "Net QIB Portion") shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. If at least 75% of the Issue cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, the allocation to each Non-Institutional Investor shall not be less than Rs. 200,000, subject to availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis, subject to valid Bids being received at or above the Issue Price, in accordance with the SEBI ICDR Regulations. Further, (a) one third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than Rs. 200,000 and up to Rs. 1,000,000; and (b) two third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than Rs. 1,000,000, provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Investors. All Bidders, other than Anchor Investors, are mandatorily required to participate in the Issue through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account, or UPI ID (defined hereinafter) in case of Retail Individual Bidders bidding through the UPI Mechanism (defined hereinafter) as applicable pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks or by the Sponsor Bank under the UPI Mechanism (defined hereinafter). Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA Process. For details, see "Issue Procedure" on page 232.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10. The Issue Price, Floor Price and Price Band (as determined by our Company in consultation with the Book Running Lead Manager) on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in 'Basis for Issue Price' on page 109 should not be considered to be indication of the market price of the Equity Shares after the Equity Shares listed should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issuer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 26

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated July 29, 2022 and July 29, 2022, respectively. For the purposes of the Issue, the Designated Stock Exchange shall be National Stock Exchange Ltd. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 328.

BOOK RUNNING LEAD MANAGER



Pantomath Capital Advisors Private Limited
406-408, Keshava Premises, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Tel: +91 22 61946700 **Email:** ipo@pantomathgroup.com
Investor Grievance Email: ipo@pantomathgroup.com
Website: www.pantomathgroup.com
Contact Person: Bharti Ranga/Punam Thadeshwar
SEBI Registration No: INM000012110

REGISTRAR TO THE ISSUE



Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg Vikhroli (West), Mumbai - 400 083, Maharashtra India
Tel: +91 22 4918 6200 ; **Email:** Sahpolymers.ipo@linkintime.co.in
Investor grievance Email: Sahpolymers.ipo@linkintime.co.in
Website: www.linkintime.co.in; **Contact person:** Shanti Gopalkrishnan
SEBI Registration no: INR000004058

BID / ISSUE PROGRAMME

| | |
|------------------------------|-----------------------------|
| BID / ISSUE OPENS ON | Friday, December 30, 2022 |
| BID / ISSUE CLOSES ON | Wednesday, January 04, 2023 |

* Subject to finalization of the Basis of Allotment

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

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, terms used in “Statement of Possible Tax Benefits”, “Restated Standalone and Consolidated Financial Informations”, “Main Provisions of Articles of Association”, “Outstanding Litigations and Material Developments”, “Key Industry Regulations and Policies”, “Industry Overview”, “Basis for Issue Price” and “Our Business” on pages 114, 173, 255, 198, 138, 116, 109 and 126 respectively, shall have the meaning ascribed to such terms in these respective sections.

General Terms

| Term | Description |
|--|---|
| “Sah Polymers Limited” or Sah Polymers” or “Our Company”, or “the Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company” | Unless the context otherwise requires, refers to Sah Polymers Limited, a Public Limited Company incorporated under the Companies Act, 1956 and having its Registered Office at E 260-261, Mewar Industrial Area, Madri, Udaipur, Rajasthan 313003 |
| “We”, “us” or “our” or “Group” | Unless the context otherwise indicates or implies, refers to our Company |
| “you”, “your” or “yours” | Prospective investors in this Issue. |

Company Related Terms

| Term | Description |
|--|---|
| AOA/ Articles/ Articles of Association | Articles of Association of <i>Sah Polymers Limited</i> , as amended from time to time. |
| Audit Committee | The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in the section titled “ <i>Our Management</i> ” on page 154 of this Red Herring Prospectus. |
| Auditor or Statutory Auditor | The statutory auditor of our Company, being H. R. Jain & Co., Chartered Accountants holding a peer review certificate have been appointed as statutory auditors with effect from September 30, 2022 |
| Banker to the Company | Such bank which is disclosed as Banker to the Company in the chapter titled “ <i>General Information</i> ” on page 70 of this Red Herring Prospectus. |
| Board of Directors/ the Board / our Board/ Director(s) | The Board of Directors of Sah Polymers Limited, including all duly constituted Committee(s) thereof. |
| Chief Executive Officer (CEO) | The Chief Executive Officer of our Company being Murtaza Ali Moti |
| Chief Financial Officer (CFO) | The Chief Financial Officer of our Company being Lalit Kumar Bolia. |
| Company Secretary and Compliance Officer | The Company Secretary & Compliance Officer of our Company being Runel Saxena. |
| Corporate office | 121, B-Wing, Mittal Tower, Nariman Point, Mumbai- Maharashtra-400021 |
| Corporate Promoter | Sat Industries Limited |
| CIN | Corporate Identification Number |
| Director(s) | Director(s) of our Company, unless otherwise specified |
| Equity Shareholders/ shareholders | Persons/ Entities holding Equity Shares of our Company |
| Equity Shares | Equity Shares of our Company of face value of Rs. 10/- each fully paid up unless otherwise specified in the context thereof. |
| Executive Director” or “Whole-time Director” | A whole-time director / executive director of our Company. For further details, see “ <i>Our Management</i> ” on page 154. |
| Group Company | Such Companies as are included in the chapter titled “ <i>Our Group Company</i> ” on page 170 of this Red Herring Prospectus. |

| Term | Description |
|--|---|
| Holding Company | SAT Industries limited is our Corporate Promoter holding 1,43,16,000 shares aggregating to 91.79% of the Company. |
| Independent Director | A non-executive, independent Director as per the Companies Act, 2013 and the Listing Regulations, namely Ramesh Chandra Soni, Sanjay Suthar, Nikhil Khanderao Raut and Chetna |
| IPO Committee | The IPO Committee reconstituted by our Board, to facilitate the process of the Issue, described in “ <i>Our Management</i> ” on page 154 of this Red Herring Prospectus vide Board resolution dated July 01, 2022. |
| ISIN | International Securities Identification Number, in this case being INE035801013 |
| Key Managerial Personnel (KMP) | Key managerial 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 and as identified in chapter titled “ <i>Our Management</i> ” on page 154 of this Red Herring Prospectus. |
| KPI | Key Performance Indicators |
| Managing Director or MD | The Managing Director of our Company, being Asad Daud |
| Materiality Policy | The policy adopted by our Board for identification of group company 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. |
| Maximum RII Allottees | The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot. |
| MOA / Memorandum / Memorandum of Association | Memorandum of Association of our Company, as amended from time to time. |
| Mobile Applications | The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism |
| Nomination and Remuneration Committee | The committee of the Board of Directors constituted as the Company’s Nomination & Remuneration Committee in accordance with Section 178(1) of the Companies Act, 2013 and the SEBI Listing Regulations, as described in the chapter titled “ <i>Our Management</i> ” on page 154 of this Red Herring Prospectus. |
| Non-Executive Director | A Director, not being an Executive Director |
| Promoter or our Promoter | Promoter of our Company being Sat Industries Ltd. |
| Promoter Group | Persons and entities constitute our promoter group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” on page 165 of this Red Herring Prospectus. |
| Registered Office | The Registered office of our Company situated at E-260-261 Mewar Industrial Area, Madri, Udaipur Rajasthan 313003. |
| RoC / Registrar of Companies | The Registrar of Companies, situated at Corporate Bhawan, G/6-7, Second Floor, Residency Area, Civil Lines, Jaipur-302001, Rajasthan |
| Restated Financial Informations | The Restated Consolidated Financial Information of our Company for the three months ended on June 30, 2022 and financial year ended March 31, 2022 and Restated Standalone Financial Information for the financial years ended March 31, 2021 and 2020 which comprises the restated summary statement of assets & liabilities, the restated statement of profit and loss and restated summary statement of cash flows along with all the schedules and notes thereto for the three months ended June 30, 2022 and financial years ended March 31, 2022, 2021 and 2020 prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015 as amended and other accounting principles generally accepted in India, and restated in accordance with the requirements of Section 26 of Part 1 of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended and included in “ <i>Financial Statements</i> ” on page 173 of this Red Herring Prospectus. |

| Term | Description |
|-------------------------------------|---|
| Risk Management Committee | The risk management committee of our Company, described in “Our Management –Corporate Governance” on page 159 of this Red Herring Prospectus. |
| Shareholders | The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares. |
| Stakeholders Relationship Committee | The 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 and the SEBI Listing Regulations, as described in section titled “ <i>Our Management</i> ” on page 154 of this Red Herring Prospectus. |
| Subsidiary | The subsidiary of our Company as on the date of this Red Herring Prospectus Viz., Fibcorp Polyweave Private Limited. For further details see, “ <i>Our Subsidiary</i> ” on page 152 of this Red Herring Prospectus. |

Issue Related Terms

| Term | Description |
|--|---|
| Abridged Prospectus | Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf |
| Acknowledgement Slip | The acknowledgement slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form. |
| Allotment/ Allot/ Allotted | Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders. |
| Allottee(s) | Successful Bidders(s) to whom Equity Shares have been Allotted. |
| Allotment Advice | Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange. |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least Rs.10 cores |
| Anchor Escrow Account / Escrow Account(s) | Account opened with Anchor Escrow Bank for the Issue and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS in respect of the Bid Amount when submitting a Bid. |
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company in consultation with the BRLM on the Anchor Investor Bidding Date |
| Anchor Investor Application Form | The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus |
| Anchor Investor Bidding Date | The day, being one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLM will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed |
| Anchor Investor/ Issue Price | Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the BRLM. |
| Anchor Investor Pay-in Date | With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Issue Price, not later than two Working Days after the Bid/Issue Closing Date |
| Anchor Investor Portion | Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLM, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. |
| ASBA / Application Supported by Blocked Amount | An application for subscribing to the Issue, along with an authorization to self-certified syndicate bank to block the application money in the specified bank |

| Term | Description |
|--------------------------------|---|
| | account maintained with such SCSB and will include amounts blocked by RIIs using the UPI mechanism. |
| ASBA Account | Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB or account of the RIIs blocked upon acceptance of UPI Mandate request by RIIs using the UPI mechanism to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder. |
| ASBA Bidders | All Bidders except Anchor Investor |
| ASBA form/ Bid Cum Application | An application form, (with or without UPI ID, as applicable) whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus. |
| Banker(s) to the Issue | Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Issue Account Bank(s), as the case may be. |
| Basis of Allotment | The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” on page 232 of this Red Herring Prospectus. |
| Bid | An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form. |
| Bid Amount | The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue. |
| Bid cum Application form | The ASBA Form where the context so requires, in terms of which a Bidder makes a Bid in terms of the Red Herring Prospectus which will be considered as an application for Allotment. |
| Bid Lot | [●] Equity shares and in multiples of [●] Equity Shares thereafter |
| Bid/ Issue Closing Date | The date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all edition of the English national newspaper Financial Express, all edition of the Hindi national newspaper Jansatta, and Hindi edition of the Regional newspaper Prathakal(Hindi being the regional language of Udaipur, where our Registered Office is located). In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank |
| Bid/ Issue Opening Date | The date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all edition of the English national newspaper Financial Express, all edition of the Hindi national newspaper Jansatta, and Hindi edition of the Regional newspaper Prathakal, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations. |
| Bid/ Issue Period | Except in relation to the Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations. |
| Bidder/Investor | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor. |
| Bidding/collecting Centre | Centres at which the Designated Intermediaries shall accept the Bid Cum Application Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs. |
| Book Building Process | The book building process as described in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made. |

| Term | Description |
|---|--|
| Book Running Lead Manager or BRLM | The Book Running Lead Manager to the Issue namely Pantomath Capital Advisors Private Limited, SEBI registered Category – I Merchant Banker. |
| Broker Centres | Broker centres notified by the Stock Exchange, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges. (www.bseindia.com and www.nseindia.com) |
| CAN or Confirmation of Allocation Note | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated / transferred the Equity Shares, on or after the Anchor Investor Bid/ Issue Period |
| Cap Price | The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted. Provided that Cap Price shall be at least 105% of Floor Price and shall not exceed 120% of Floor Price. |
| Cash Escrow and Sponsor Bank Agreement | Agreement dated December 20,2022 entered into by our Company, the Registrar to the Issue, the BRLM, the Syndicate Member, and the Banker to the Issue for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof. |
| ClientID | ClientIdentificationNumbermaintainedwithoneofthe Depositories inrelation to demat account. |
| Collecting Depository Participant or CDP | A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12 (1A) of the SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR /CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Collecting Registrar and Share Transfer Agents/ CRTAs | Registrar to an issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Compliance Officer | The Company Secretary of our Company, Runel Saxena |
| Cut-off Price | Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price. |
| Demographic Details | Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, wherever applicable. |
| Depository / Depositories | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996. |
| Depository Participant / DP | A depository participant as defined under the Depositories Act |
| Designated CDP Locations | Such locations of the CDPs where Bidders submitted the ASBA Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com). |
| Designated Date | The date on which the funds from the Anchor Escrow Accounts are transferred to the Public Issue Account or the Refund Account(s), as appropriate, and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, to the Public Issue Account or Refund Account and / or are unblocked, as applicable, in terms of the Red Herring Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue. |
| Designated Intermediary(ies) | In relation to ASBA Forms submitted by RIIs authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs NIIs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs. |
| Designated RTA Locations | Such centres of the RTAs where Bidder can submit the Bid cum Application |

| Term | Description |
|---|--|
| | Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time. |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | National StockExchange Limited(NSE) |
| DP ID | DP ID Depository Participant's identity number. |
| "Draft Red Herring Prospectus" or "RHP" | The Draft Red Herring Prospectus dated April 21, 2022, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto. |
| DPR | Report titled "Deatiled Project Report of Sah Polymers Limited ", issued dated November 23, 2022, prepared by Keyur Shah & Co., Chartered Accountants. |
| Eligible FPI(s) | FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices |
| Eligible NRI(s) | NRIs from such jurisdiction outside India where it is not unlawful to make an Issue/ offer or invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares issued herein on the basis of the terms thereof. |
| Escrow Account | Account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid. |
| Escrow Collection Bank(s) | The Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) will be opened, in this case being ICICI Bank Limited. |
| First/sole Bidder | Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names. |
| Floor Price | The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted. |
| Fraudulent Borrower | A company or person, as the case may be, categorised as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on a fraudulent borrowers issued by the RBI |
| Fresh Issue | Fresh issue of up to 102,00,000 Equity Shares aggregating up to Rs.[●] lakhs by our Company as part of the Issue, in terms of the Red Herring Prospectus and the Prospectus |
| 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. |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 |
| General Information Document | The General Information Document for investing in public issues, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 notified by SEBI and included in "Issue Procedure" on page 232 of this Red Herring Prospectus. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM |
| Issue Agreement | The agreement dated April 21, 2022 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Issue Price | The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in |

| Term | Description |
|---|--|
| | consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus. |
| Issue Proceeds | Proceeds to be raised by our Company through this Issue being Rs. [●] lakhs, for further details please refer chapter title “ <i>Objects of the Issue</i> ” on page 90 of this Red Herring Prospectus. |
| Issue/ Issue Size/ Initial Public Issue/ IPO | Initial Public Issue of Up to 102,00,000 Equity Shares of face value Rs. 10/- each fully paid of our Company for cash at a price of Rs. [●] per Equity Share (the “ <i>Issue Price</i> ”) (including a premium of Rs.[●] per Equity Share) aggregating up to Rs. [●] Lakhs. |
| Listing Agreement | The Listing Agreement to be signed between our Company and the Stock Exchanges. |
| Mobile Applications | The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism. |
| Mutual Fund(s) | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time |
| Mutual Fund Portion | 5% of the Net QIB Portion, or upto [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price |
| National Payments Corporation of India (NPCI) | NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA). |
| Net Proceeds | The Issue Proceeds, less the Issue related expenses, received by the Company. For further information about use of the Issue Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” on page 90 of this Red Herring Prospectus |
| Net QIB Portion | The QIB Portion less the number of Equity Shares allocated to the Anchor Investors. |
| NIF | National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India |
| Non-Institutional Bidders / NIIs | All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have applied for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs. |
| Non-Institutional Portion | <p>The portion of the Issue being not more than 15% of the Issue comprising [●]* Equity Shares which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price, in the following manner:</p> <p>(a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lakh rupees and up to ten lakh rupees;</p> <p>(b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ten lakh rupees:</p> <p>Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors</p> <p>*Subject to finalization of Basis of Allotment</p> |
| Non-Resident Indians or NRI(s) | A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs. |
| OCB/ Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly 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. |
| Other Investors | Investors other than Retail Individual Investors. These include individual bidders/ applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |

| Term | Description |
|---|---|
| Person/ Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Price Band | Price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM, and will be advertised, at least 2 (two) Working Days prior to the Bid/Issue Opening Date, in English editions of Financial Express, an English national daily newspaper and Hindi editions of Jansatta, a Hindi national daily newspaper, and Hindi edition of the regional newspaper Prathakal (Hindi being the regional language of Udaipur, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. |
| Pricing date | The date on which our Company in consultation with the BRLM, will finalise the Issue Price. |
| Prospectus | The prospectus to be filed with the ROC after the Pricing Date in accordance with Section 26 and Section 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information. |
| Public Issue Account | The bank account opened with the Banker to the Issue i.e. ICICI Bank Limited under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date. |
| Public Issue Account Bank(s) | The banks with which the Public Issue Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being ICICI Bank Limited |
| “QIB Category” or “QIB Portion” | The portion of the Issue (including the Anchor Investor Portion) being not less than 75% of the Issue consisting of [●]* Equity Shares which shall be available for allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors). *Subject to finalization of Basis of Allotment |
| “Qualified Institutional Buyers” or “QIBs” or “QIB Bidders” | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| “Red Herring Prospectus” or “RHP” | The Red Herring Prospectus dated December 20, 2022 issued in accordance with Section 32 of the Companies Act 2013 and the SEBI ICDR Regulations, which did not have complete particulars of the price at which the Equity Shares shall be Allotted and which was filed with the RoC at least three Working Days before the Bid /Issue Opening Date and became the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto. |
| Refund Account(s) | The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made. |
| Refund Bank(s) / Refund Banker(s) | 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 ICICI Bank Limited. |
| Registered Brokers | Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI. |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no.CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the UPI circular, as per the lists available on the websites of BSE and NSE |

| Term | Description |
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| Registrar /Registrar to the Issue | Registrar to the Issue being Link Intime India Private Limited situated at C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India. |
| Registrar Agreement | The agreement dated April 11, 2022 entered by our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue. |
| Resident Indian | A person resident in India, as defined under FEMA. |
| Retail Individual Investors / RIIs/Retail Individual Bidders/RIBs | Bidders (including HUFs and Eligible NRIs) whose Bid Amount for Equity Shares in the Issue was not more than Rs.200,000/- in any of the bidding options in the Issue (including HUFs applying through their karta and Eligible NRIs and did not include NRIs other than Eligible NRIs). |
| Retail Portion | The portion of the Issue being not less than 10% of the Issue of [●] Equity Shares aggregating to Rs.[●] lakhs, which shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations (subject to valid Bids being received at or above the Issue Price) |
| Revision Form | Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. Further, Retail Individual Investors shall submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment |
| Self Certified Syndicate Bank(s) or SCSB(s) | (i) the banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time. (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 |
| SEBI (Foreign Portfolio Investor) Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014. |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of further issued Equity Shares on such Stock Exchange. |
| Specified Locations | Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time. |
| Sponsor Bank | Sponsor Bank means a Banker to the issue registered with SEBI which is appointed by issuer to act as conduit between the Stock Exchanges and NPCI (National in order to push the mandate collect request and /or payment instructions of the retail investors into the UPI, the sponsor bank in this case being ICICI Bank Limited. |
| Syndicate Agreement | Agreement dated December 20, 2022 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate |
| Syndicate Members | Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case Pentagon Stock Brokers Private limited |
| Syndicate or members of the Syndicate | Together, the BRLM and the Syndicate Members. |
| Systemically Important Non-Banking Financial Company or NBFC-SI | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations. |
| TRS or Transaction Registration Slip | The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid |
| Underwriter | [●] |

| Term | Description |
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| Underwriting Agreement | The Agreement dated [●] entered into between the Underwriter and our Company. |
| Unified Payments Interface (UPI) | UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c. |
| UPI Circulars | Circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as amended by its Circular number SEBI/HO/CED/DIL/CIR/2016/26 dated January 21, 2016 and Circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard. |
| UPI ID | ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI). |
| UPI ID Linked bank account | Account of the RIIs, bidding in the Issue using the UPI mechanism, which will be blocked upon acceptance of UPI Mandate request by RIIs to the extent of the appropriate Bid Amount and subsequent debit of funds in case of Allotment |
| UPI Mechanism | The Bidding mechanism that is used by Retail Individual Investors to make Bids in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time. |
| UPI Mandate Request | A request (intimating the UPI Bidder by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment In accordance with the 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 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time |
| UPI PIN | Password to authenticate UPI transaction |

| Term | Description |
|------------------|---|
| Wilful Defaulter | A wilful defaulter as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations. |
| Working Days | All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Issue Period, Working Day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI. |

Technical and Industry Related Terms

| Term | Description |
|-------------|---|
| AGM | Annual general meeting of shareholders under the Companies Act 2013 |
| BPO | Business Process Outsourcing |
| CAD | Current Account Deficit |
| CPI | Consumer Prices Index |
| DIPP | Department of Industrial Policy and Promotion |
| EMDEs | Emerging Market and Developing Economies |
| FDI | Foreign Direct Investment |
| FM | Facility Management |
| GAV | Gross Value Added |
| GDP | Gross Domestic Product |
| GIFPMA | Global Infrastructure Facilities and Project Managers Association |
| HVAC | Heating, Ventilation, and Air Conditioning |
| IBEF | India Brand Equity Foundation |
| IIP | Index of Industrial Production |
| ISO | International Organization for Standardization |
| MNCs | Multi-National Companies |
| NEER | Nominal Effective Exchange Rate |
| OHSAS | Occupational Health and Safety Assessment Series |
| PMI | Purchasing Managers' Index |
| PPP | Purchasing Power Parity |
| REER | Real Effective Exchange Rate |
| SEIS | Services Exports from India Scheme |
| SEZ | Special Economic Zone |
| UK | United Kingdom |
| US | United States |
| WEO | World Economic Outlook |
| WPI | Wholesale Price Index |
| FM | Facilities Management |
| B2B | Business to Business |
| B2C | Business to Consumer |
| EGMM | Employment Generation and Marketing Mission |
| MOU | Memorandum of Understanding |
| NIT | National Institute of Technology |
| SPOC | Single Point of Contact |
| ACCAB | Accreditation Commission for Conformity Assessment Bodies |
| VFD | Variable Frequency Drive |
| UPS | Uninterruptible Power Supply |
| BMS | Building Management Systems |
| IFMA | The International Facility Management Association, USA |
| CII | Confederation of Indian Industry |

Conventional and General Terms / Abbreviations

| Term | Description |
|-------------------------------------|--------------------|
| “Rs.” or “Rs.” or “Rupees” or “INR” | Indian Rupees |
| A.Y./AY | Assessment Year |

| Term | Description |
|--|---|
| A/C | Account |
| ACS | Associate Company Secretary |
| AGM | Annual General Meeting |
| AIF | Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| Air Act | The Air (Prevention and Control of Pollution) Act, 1981 |
| AoA | Articles of Association |
| AS/Accounting Standard | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| ASBA | Application Supported by Blocked Amount |
| Associate | A person who is an associate of the issuer and as defined under the Companies Act, 2013 |
| Authorized Dealers | Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000 |
| Bn | Billion |
| BRLM | Book Running Lead Manager |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| CARO | Companies (Auditor's Report) Order, 2016 |
| Category I Foreign Portfolio Investors | FPIs who are registered as - Category I foreign portfolio investors under the SEBI FPI Regulations |
| Category II Foreign Portfolio Investors | FPIs who are registered as - Category II foreign portfolio investors under the SEBI FPI Regulations |
| Category III Foreign Portfolio Investors | FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices. |
| CC | Cash Credit |
| CCI | The Competition Commission of India |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| CGST | Central GST |
| CIN | Corporate Identification Number |
| Cm | Centimetre |
| Companies Act, 1956 | 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. |
| Companies Act, 2013 | The Companies Act, 2013, to the extent in force pursuant to the notification of the notified Sections |
| Consolidated FDI Policy | The current consolidated FDI Policy, effective from August 28, 2017, 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 |
| COPRA | Consumer Protection Act, 1986. |
| Copyright Act | Copyright Act, 1957. |
| COVID-19 | A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020. |
| CS | Company Secretary |
| CSR | Corporate Social Responsibility |
| CEO | Chief Executive Officer |
| CST | Central Sales Tax |
| CY | Calendar year. |
| DDT | Dividend Distribution Tax. |
| Depositories | NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time. |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| DGFT | Directorate General of Foreign Trade |

| Term | Description |
|----------------------------|--|
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy & Promotion |
| DP | Depository Participant |
| DP ID | Depository Participant's Identity Number |
| DTC | Direct Tax Code, 2013 |
| EBIDTA | Earnings before interest, depreciation, tax, amortization and extraordinary items |
| EBITDA Margin | EBITDA divided by revenue from operations (net). |
| ECS | Electronic Clearing System |
| EGM | Extraordinary General Meeting |
| Electricity Act | The Electricity Act, 2003 |
| EPA | The Environment Protection Act, 1986 |
| EPFA | The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings Per Share |
| Essential Commodities Act | Essential Commodities Act, 1955. |
| ESIC | Employee State Insurance Corporation |
| ESOP | Employee Stock Option Plan |
| ESPS | Employee Stock Purchase Scheme |
| ER Act | The Equal Remuneration Act, 1976 |
| ESI Act | The Employees' State Insurance Act, 1948 |
| F.Y./FY | Financial Year |
| FCNR Account | Foreign Currency Non Resident Account |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under. |
| FEM Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 |
| FEMA 2000 | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 |
| FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. |
| FII(s) | Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India |
| FIPB | The Foreign Investment Promotion Board, Ministry of Finance, Government of India |
| FIs | Financial Institutions |
| FPI(s) | Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992 |
| Ft | Foot |
| FTP | Foreign Trade Policy |
| Fugitive economic offender | An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 |
| FVCI | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000 |
| FV | Face Value |
| GAAP | Generally Accepted Accounting Principles |
| GDP | Gross Domestic Product |
| GIR Number | General Index Registry number |
| GOI/ Government | Government of India |
| Gratuity Act | The Payment of Gratuity Act, 1972 |
| GST | Goods and Services Tax |
| GST Act | The Central Goods and Services Tax Act, 2017 |
| GSTIN | Goods and Services Tax Identification Number |
| Hazardous Wastes Rules | Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 |
| HNI | High Net worth Individual |
| HUF | Hindu Undivided Family |

| Term | Description |
|--|---|
| I. T. Act | The Income Tax Act, 1961, as amended. |
| IBC | Insolvency and Bankruptcy Code, 2016 |
| ICAI | Institute of Chartered Accountants of India |
| ICDR Regulations/ Regulations/ Regulations/Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time |
| IFRS | International Financial Reporting Standards |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Ind AS/ Indian Accounting Standards | Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. |
| India | Republic of India |
| IST | Indian Standard Time |
| INR | Indian National Rupee |
| IPO | Initial Public Offering |
| IRDA | Insurance Regulatory and Development Authority |
| IT Authorities | Income Tax Authorities |
| IT Rules | The Income Tax Rules, 1962, as amended from time to time |
| ID Act | The Industrial Disputes Act, 1947 |
| IE Act | The Indian Easements Act, 1882 |
| IEM | Industrial Entrepreneurs Memorandum |
| IFSC | Indian Financial System Code |
| IGST | Integrated GST |
| Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended. |
| KMP | Key Managerial Personnel |
| KVA | Kilovolt-ampere |
| Listing Regulations / Regulations/ Regulations | SEBI Listing Regulations / SEBI (LODR) Regulations |
| Listing Regulations / Regulations/ Regulations | SEBI Listing Regulations / SEBI (LODR) Regulations |
| Ltd. | Limited |
| MCA | The Ministry of Corporate Affairs, GoI |
| MCI | Ministry of Commerce and Industry, GoI |
| MWA | Minimum Wages Act, 1948 |
| Mn | Million |
| MoEF | Ministry of Environment and Forests |
| MoF | Ministry of Finance, Government of India |
| MoU | Memorandum of Understanding |
| MICR | Magnetic Ink Character Recognition |
| Mutual Funds | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| MoA | Memorandum of Association |
| N/A or N.A. | Not Applicable |
| NAV | Net Asset Value |
| NBFC | Non-Banking Finance Company |
| NI Act | Negotiable Instruments Act, 1881 |
| NOC | No Objection Certificate |
| NR | Non Resident |
| NRE Account | Non Resident (External) Account |
| NRI | Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. |
| NRO Account | Non Resident (Ordinary) Account |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB/ Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management |

| Term | Description |
|--|--|
| | (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue. |
| ODI | Overseas Direct Investment |
| p.a. | per annum |
| P/E Ratio | Price Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| Pvt. | Private |
| Payment of Bonus Act | Payment of Bonus Act, 1965 |
| Payment of Gratuity Act | Payment of Gratuity Act, 1972 |
| PCB(s) | Pollution Control Board(s) |
| Provident Fund | Provident fund for employees managed by the Employee's Provident Fund Organisation in India. |
| PIL | Public Interest Litigation |
| QFI(s) | Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations |
| QIB | Qualified Institutional Buyer |
| RBI | Reserve Bank of India |
| RBI Act | The Reserve Bank of India Act, 1934, as amended from time to time |
| R&D | Research & Development |
| Registration Act | The Indian Registration Act, 1908 |
| Regulation S | Regulation S under the U.S. Securities Act |
| RoC | Registrar of Companies, Jaipur, Rajasthan. |
| RoNW | Return on Net Worth |
| ROE | Return on Equity |
| Rs. / INR | Indian Rupees |
| R&D | Research & Development |
| RTGS | Real Time Gross Settlement |
| SARFAESI | The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 |
| SCRA | Securities Contracts (Regulation) Act, 1956 as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SCSB | Self-Certified Syndicate Bank |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended from time to time. |
| SEBI (LODR) Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012. |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI SBEB Regulations | Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 / 2019 as applicable |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to the SEBI (AIF) Regulations. |
| SEBI Insider Trading Regulations | The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. |
| SEBI Takeover Regulations / Takeover Regulations / Takeover Code | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time. |
| SGST | State GST |
| Sec | Section |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time |
| SME | Small Medium Enterprise |
| SSI Undertaking | Small Scale Industrial Undertaking |

| Term | Description |
|--|---|
| STT | Securities Transaction Tax |
| Sub-Account | Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals. |
| TAN | Tax Deduction Account Number |
| TIN | Taxpayers Identification Number |
| TNW | Total Net Worth |
| TRS | Transaction Registration Slip |
| U.S. GAAP | Generally accepted accounting principles in the United States of America |
| u/s | Under Section |
| UIN | Unique Identification Number |
| UOI | Union of India |
| UPI | Unified payments interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account. |
| US/ U.S. / USA/United States | United States of America |
| USD / US\$ / \$ | United States Dollar, the official currency of the United States of America |
| VAT | Value Added Tax |
| VCF / Venture Capital Fund | Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations. |
| w.e.f. | With effect from |
| WDV | Written Down Value |
| WTD | Whole-time Director |
| Wilful defaulter / Fraudulent Borrower | A wilful defaulter, as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations. |
| YoY | Year over year |

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Red Herring 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 Government of India, central or state, as applicable.

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

All references in this Red Herring Prospectus to “China” are to the People’s Republic of China.

Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time (“IST”).

Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

Financial Data

Unless the context requires otherwise, the financial information in this Red Herring Prospectus is derived from our Restated Consolidated Financial Information of our Company for the three months ended June 30, 2022 and for the financial year ended March 31, 2022 and Restated Standalone Financial Information for the financial years ended March 31, 2021 and March 31, 2020 of the Company together with the summary statement of significant accounting policies, and other explanatory information thereon prepared in accordance with the recognition and measurement principles of Ind AS 34 and in accordance with Indian GAAP and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. For further information, see “*Restated Standalone and Consolidated Financial Informations*” on page 173

In this Red Herring Prospectus, any discrepancies in any table 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. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year are to the 12 months ended March 31 of such year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Red Herring Prospectus are to a calendar year.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 26, 126, and 177 respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Standalone and Consolidated Financial Informations.

Non-Generally Accepted Accounting Principles Financial Measures

Certain Non-GAAP Measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, Direct Costs, PAT Margin, CAGR and others, have been included in this Red Herring Prospectus as a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such Non-GAAP Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful

measures of our business and financial performance. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. These Non-GAAP Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies

Currency and Units of Presentation

All references to:

- (a) "Rupees" or "Rs." or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- (b) "USD" or "US\$" or "\$" are to United States Dollar, the official currency of the United States
- (c) "UAH" or "₴" are to Ukrainian hryvnia, the official currency of Ukraine.
- (d) "GBP" or "£" are to the pound sterling, the official currency of the United Kingdom, among others.

Our Company has presented certain numerical information in this Red Herring Prospectus in "million" units. One million represents 10,00,000 and one billion represents 1,000,000,000.

In this Red Herring 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 Restated Consolidated & Standalone Financial Informations in decimals have been rounded off to the two decimal place. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than Lakhs, such figures appear in this Red Herring Prospectus in such denominations as provided in the respective sources.

Exchange Rates

This Red Herring Prospectus may contain conversion of certain other currency amounts into Indian Rupees. 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 Rupee and US\$

| Currency | As on June 30, 2022 | As on March 31, 2022 | As on March 31, 2021 | (in Rupees per US\$) |
|----------|---------------------|----------------------|----------------------|----------------------|
| | | | | As on March 31, 2020 |
| 1 US\$ | 78.94 | 75.81 | 73.50 | 75.38 |

(Source: RBI/ FBIL Reference Rate)

*Exchange rate as on March 29, 2019, as FBIL Reference Rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Red Herring Prospectus has been obtained and derived from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable. Further the extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed under section titled "Risk Factors" on page 26. Accordingly, investment decisions should not be based on such information. Industry Report is also available on the website of our Company at <https://sahpolymers.com/investor-relations/>

FORWARD-LOOKING STATEMENTS

This Red Herring 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 and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- (a) *The COVID-19 pandemic and measures intended to prevent its spread;*
- (b) *Significant increases or fluctuations in prices of, or shortages of, or delay or disruption in supply of primary raw materials could affect our estimated costs, expenditures and timelines which may have a material adverse effect on our business, financial condition, results of operations and cash flows.*
- (c) *Our continued operations at our manufacturing facilities are critical to our business and any disruption, breakdown or shutdown of our manufacturing facilities may have a material adverse effect on our business, financial condition, results of operations and cash flows.*
- (d) *We are heavily dependent on the performance of the wires and cables market. Any adverse changes in the conditions affecting the wires and cables market can adversely impact our business, financial condition, results of operations, cash flows and prospects.*
- (e) *Our inability to maintain the stability of our distribution network and attract additional distributors and dealers may have a material adverse effect on our results of operations and financial condition.*
- (f) *If we are unable to maintain and enhance our brand, the sales of our products will suffer, which would have a material adverse effect on our results of operations.*
- (g) *Failure to obtain, maintain or renew statutory and regulatory licenses, permits and approvals required to operate our business in India.*
- (h) *Increased product liabilities due to failure to meet various quality standards and good manufacturing practices.*
- (i) *Outstanding legal proceedings involving our Company, our Group Company, Subsidiary, certain of our Promoter and our Directors.*

For further discussion of factors that could cause the actual results to differ from the expectations, see “Risk Factors”, “Our Business” “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 26, 126, 116 and 177 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect current views as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although 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. Neither our Company, our Directors, the BRLM, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the BRLM will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SUMMARY OF THE ISSUE DOCUMENT

This section is a general summary of the terms of the issue and of certain disclosures included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring 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 Red Herring Prospectus, including the sections titled “Risk Factors”, “Our Business”, “Industry Overview”, “Capital Structure”, “The Issue”, “Objects of the Issue”, “Our Promoter and Promoter Group”, “Financial Statements”, “Outstanding Litigation and Other Material Developments”, “Issue Structure” and “Issue Procedure” on pages 26, 126, 116, 78, 64, 90, 165, 173, 198, 228 and 232 respectively of this Red Herring Prospectus.

Primary business of our Company

We are an ISO 9001:2015 certified company, primarily engaged in manufacturing and selling of Polypropylene (PP)/ High Density Polyethylene (HDPE) FIBC Bags, Woven Sacks, HDPE/PP woven fabrics, woven polymer based products of different weight, sizes and colours as per customers specifications. We offer customised bulk packaging solutions to business-to-business (“B2B”) manufacturers catering to different industries such as Agro Pesticides Industry, Basic Drug Industry, Cement Industry, Chemical Industry, Fertilizer Industry, Food Products Industry, Textile Industry Ceramic Industry and Steel Industry. Besides, our Company is a Del Credere Associate cum Consignment Stockist (DCA/ CS) of Indian Oil Corporation Limited and also operates as Dealer Operated Polymer Warehouse (DOPW) of Indian Oil Corporation Limited for their polymer division. We enter into arrangements as third-party manufacturers to manufacture our tape and fabric based on customers’ requirements.

We have two business divisions (i) domestic sales; and (ii) exports. We have presence in 5 states and 1 union territory for our domestic market based on sales made for the three months ended June 30, 2022 and FY 2022, respectively. Internationally, we export our products to 14 countries such as Algeria, Togo, Ghana, Poland, Portugal, France, Italy, Dominican Republic, USA, Australia, UAE, Palestine, UK and Ireland. For the three months ended June 30, 2022 and for Fiscals 2022, 2021 and 2020, our revenue from exports was Rs. 1558.22 lakhs, Rs. 4439.39 lakhs, Rs. 2752.39 lakhs, and Rs. 2491.88 lakhs contributed 57.61%, 55.14%, 49.98% and 50.75% respectively of our revenue from operations. For further details relating to our Business, products, key performance indicators, see the section titled “Our Business” on page 126 and section titled “Basis of issue price” on page 111 of the RHP.

Industry in which our Company operates

The India Packaging Market was valued at USD 50.5 billion in 2019, and it is expected to reach USD 204.81 billion by 2025, registering a CAGR of 26.7% during the period 2020-2025. Packaging is among the high growth industries in India and developing @ 22-25% per annum and becoming a preferred hub for packaging industry. Currently the 5th largest sector of India's economy, the industry has reported steady growth over past several years and shows high potential for much expansion, particularly in the export market. Costs of processing and packaging food can be up to 40% lower than parts of Europe which, combined with India's resources of skilled labour, make it an attractive venue for investment. A high degree of potential exists for almost all user segments which are expanding appreciably - processed foods, hard and soft drinks, fruit and marine products. Industry Report is also available on the website of our Company at <https://sahpolymers.com/investor-relations/>.

(Source: <https://piai.org/packaging-sector.php>)

For further details relating to our Industry, see the section titled “Industry Overview” on page 116.

Name of our Promoter

As on the date of this Red Herring Prospectus, our Promoter is SAT Industries Limited. For further details, see “Our Promoter and Promoter Group” on page 165

The Issue Size

The Issue comprises of only fresh issue of up to 1,02,00,000* Equity Shares for cash at price of Rs. [●] per Equity Share (including a premium of Rs. [●] per Equity Share), aggregating up to Rs. [●] lakhs. The Issue shall constitute [●]% of the post-Issue paid-up Equity share capital of the Company. For further details, see “The Issue” and “Issue Structure” on pages 64 and 228 respectively.

**Subject to finalization of the Basis of Allotment.*

Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in in the following table:

(Rs. in Lakhs)

| Sr. No. | Particulars | Estimated Amount |
|---------|--|------------------|
| 1. | Setting up of a new manufacturing facility to manufacture Flexible Intermediate Bulk Containers (FIBC) (hereinafter referred to as the “ Project ”) | 817.18 |
| 2. | Repayment of certain secured and unsecured borrowings in fullavailed by our Company and our Subsidiary Company | 1,966.15 |
| 3. | Funding the working capital requirements of our Company | 1,495.81 |
| 4. | General corporate purposes ⁽¹⁾ | • |

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, see “Objects of the Issue” beginning on page 90 .

Aggregate pre-Issue Shareholding of our Promoter and Promoter Group

As on the date of this Red Herring Prospectus, the aggregate pre-Issue shareholding of our Promoter and Promoter Group as a percentage of the pre-Issue paid-up Equity Share capital of the Company is set out below:

| S. No. | Name of shareholders | No. of Equity Shares held | % of Pre-Issue Equity Shares Capital | % of Post-Issue Equity Shares |
|-----------------------|----------------------------|---------------------------|--------------------------------------|-------------------------------|
| Promoter | | | | |
| 1. | Sat Industries Limited | 1,43,15,993 | 91.79 % | • |
| Promoter Group | | | | |
| 2. | Sat Invest Private Limited | 12,80,000 | 8.21 % | • |
| Others | | | | |
| 3. | Asad Daud* | 1 | Negligible | • |
| 4. | Shahnaz Ali* | 1 | Negligible | • |
| 5. | Harikant Turgalia* | 1 | Negligible | • |
| 6. | Rangrao S Chinchulkar* | 1 | Negligible | • |
| 7. | Nitin S Shinde* | 1 | Negligible | • |
| 8. | Lalit K Bolia* | 1 | Negligible | • |
| 9. | Mahipal Jain* | 1 | Negligible | • |
| | Total | 1,55,96,000 | 100.00% | • |

* In their capacity as nominees on behalf of Sat Industries Limited

For further details, see “Capital Structure” at page 78.

Summary of Selected Restated Standalone and Consolidated Financial Informations

The details of our Equity Share capital, Net Worth, Net Asset Value per Equity Share and total borrowings for the three months ended June 30, 2022 and as at and for the years ended March 31, 2022, 2021 and 2020, derived from the Restated Standalone and Consolidated Financial Informations are as follows:

(Rs. in Lakhs except per share data or unless otherwise stated)

| Particulars | Three months ended June 30, 2022* | For the year ended on March 31, | | |
|---|--------------------------------------|---------------------------------|----------|----------|
| | | 2022 | 2021 | 2020 |
| Equity Share capital | 1,559.60 | 1,559.60 | 1,559.60 | 1,559.60 |
| Net worth ⁽¹⁾ | 2,774.46 | 2,664.81 | 2,008.75 | 1,881.47 |
| Total income | 2,758.99 | 8,123.45 | 5,534.42 | 4,990.96 |
| Restated Profit for the year attributable to equity shareholders | 125.13 | 437.54 | 127.23 | 29.68 |
| Basic earnings per share (Face Value of Rs.10/- each) (in Rs.) ⁽²⁾ | 0.80 | 2.81 | 0.82 | 0.19 |
| Diluted earnings per share (Face Value of Rs.10/- each) (in Rs.) ⁽³⁾ | 0.80 | 2.81 | 0.82 | 0.19 |

| Particulars | Three months ended June 30, 2022* | For the year ended on March 31, | | |
|--|--------------------------------------|---------------------------------|----------|----------|
| | | 2022 | 2021 | 2020 |
| Return on Net Worth for equity shareholders (%) | 4.51% | 16.42 | 6.33 | 1.58 |
| Net Asset Value per Equity Share (in Rs.) (4) | 17.79 | 17.09 | 12.88 | 12.06 |
| Total borrowings (5) | 3,314.94 | 3,053.85 | 1,379.23 | 1,037.38 |
| Operating Profit (6) | 199.36 | 701.09 | 302.28 | 180.42 |
| Net Increase / (decrease) in Cash and Cash Equivalents | 114.61 | (47.47) | (8.43) | 9.71 |
| Increase / (decrease) in Borrowings | 261.09 | 1674.62 | 341.85 | (153.26) |
| Indebtedness | 3814.94 | 3553.85 | 1786.88 | 1445.03 |

*Not Annualised

- (1) Net Worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as attributable to the owners of the holding companies on March 31, 2020, 2021 and 2022 and for the period three months ended June 30, 2022. Net worth represents equity attributable to owners of the holding company and does not include amounts attributable to non-controlling interests.
- (2) Basic earnings per share (Rs.) = Profit/(loss) for the year/period divided by total weighted average number of equity shares outstanding during the year/period.
- (3) Diluted earnings per share (Rs.) = Profit/(loss) for the year/period divided by total weighted average number of diluted equity shares outstanding during the year/period
- (4) Net Asset Value per Share = Restated Equity attributable to equity holders as at year/period end divided by total number of Equity Shares outstanding at the end of the year/period
- (5) Total Borrowings = Non current borrowings + current borrowings.
- (6) operating profit = profit before finance costs, depreciation, other income and tax expense
- (7) Indebtedness = Current and non current Fund and non based borrowings

For further details, see “Restated Standalone and Consolidated Financial Informations” and “financial indebtedness” on page 173 and 195 respectively.

Qualifications by the Statutory Auditors which have not been given effect to in the Restated Financial Information

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

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, our Promoter, Directors, and Group Company as on the date of this Red Herring Prospectus as disclosed in the section titled “Outstanding Litigations and Other Material Developments” on page 198 in terms of the SEBI ICDR Regulations and the materiality policy is provided below:

A classification of legal proceedings is mentioned below:

| Name of Entity | Criminal Proceeding | Tax Proceeding * | Statutory or Regulatory Proceeding | Disciplinary actions by the actions by the SEBI or Stock Exchanges against our Promoters | Material Civil Litigation | Aggregate amount involved (Rs in million) |
|-----------------------|---------------------|------------------|------------------------------------|--|---------------------------|---|
| Company | | | | | | |
| By the Company | Nil | 1 | Nil | Nil | Nil | Nil |
| Against the Company | Nil | Nil | Nil | Nil | Nil | Nil |
| Directors | | | | | | |
| By our Directors | Nil | Nil | Nil | Nil | Nil | Nil |
| Against our Directors | Nil | 1 | Nil | Nil | Nil | Nil |
| Promoters | | | | | | |
| By our Promoters | 3 | 1 | Nil | Nil | 1 | Nil |
| Against Promoters | Nil | Nil | Nil | Nil | Nil | Nil |

| Group Company | | | | | | |
|-----------------------|-----|-----|-----|-----|-----|-----|
| By Group Company | Nil | 1 | Nil | Nil | Nil | Nil |
| Against Group Company | Nil | Nil | Nil | Nil | Nil | Nil |
| Subsidiary | | | | | | |
| By Subsidiary | Nil | 1 | Nil | Nil | Nil | Nil |
| Against Subsidiary | Nil | Nil | Nil | Nil | Nil | Nil |

*company has created a provision for tax proceedings in the contingent liabilities, wherever quantifiable.

Note: The amounts indicated above are approximate amounts and have been disclosed to the extent ascertainable.

Risk Factors

Investors should see “Risk Factors” on page 26 to have an informed view before making an investment decision.

Summary of Contingent Liabilities

The following table sets forth our contingent liabilities as of as at June 30, 2022 and March 31, 2022, as per the Restated Standalone and Consolidated Financial Informations:

(Rs. In Lakhs)

| Particulars | As at June 30, 2022* | % of networth as at June 30, 2022* | As at March 31, 2022 | % of networth as at March 31, 2022 |
|---|-----------------------------|---|-----------------------------|---|
| (a) Contingent liabilities | | | | |
| Tax Matters** | 1.61 | 0.06 | 1.61 | 0.06 |
| Guarantees issued by banks secured by bank deposits under lien with the bank Rs. 52.36 (Rs.58.64) Lakh | 500.00 | 18.02% | 500.00 | 18.76% |
| (b) Commitments | | | | |
| Estimated amount of contracts remaining to be executed on capital accounts and not provided for | 764.44 | 27.55% | 779.42 | 29.25% |

* Not Annulized

**Net of deposit and does not include interest and penalty which is indeterminable.

Related Party Transactions

A summary of the related party transactions entered into by us for three months period ended June 30, 2022 and for Financial Years 2022, 2021 and 2020 as per Ind AS 24 -Related Party Disclosures, derived from our Restated Standalone and Consolidated Financial Informations, is detailed below:

(Rs. in Lakhs)

| Name of Related Party | Nature of Relation | June 30, 2022 * | March 31, 2022 | March 31, 2021 | March 31, 2020 | Nature of Transaction |
|-----------------------------------|---------------------------|------------------------|-----------------------|-----------------------|-----------------------|------------------------------|
| Italica Furniture Private limited | Fellow Subsidiary | 0.06 | 0.24 | 0.28 | 0.28 | Rent Received |
| | | - | - | 190.00 | 27.00 | Loan Given |
| | | - | - | 217.00 | - | Loan Received Back |
| | | - | - | 3.49 | 1.43 | Interest Received |
| Asad Daud | Managing Director | - | - | - | 50.00 | Loan Taken |
| | | - | - | - | 50.00 | Loan Repayment |
| | | - | - | - | 0.53 | Interest Paid |
| Sat Industries Limited | Holding Company | - | 1,093.93 | 423.00 | 20.00 | Loan Taken |
| | | - | 313.93 | 423.00 | 20.00 | Loan Repayment |
| | | 18.76 | 20.86 | 6.78 | 0.15 | Interest Paid |
| | | - | - | 25.00 | 100.50 | Loan Given |
| | | - | 0.38 | - | - | Export Incentive |
| | | - | - | 50.00 | 75.50 | Loan Received Back |

| Name of Related Party | Nature of Relation | June 30, 2022 * | March 31, 2022 | March 31, 2021 | March 31, 2020 | Nature of Transaction |
|-----------------------|--------------------------|-----------------|----------------|----------------|----------------|-----------------------|
| | | 0.06 | 0.24 | 0.28 | 0.28 | Rent Received |
| | | - | - | 0.82 | 0.65 | Interest Received |
| Remuneration | Key Management Personnel | 12.05 | 36.70 | 23.22 | 33.74 | Remuneration |

*Not Annualised

Note-All related party transactions are carry out at Arm's Length Price (ALP). Further, list of the related parties and all related party transactions, are disclosure under Ind AS 24 and / or as covered under section 188(2) of the Companies Act, 2013 (as amended), SEBI (LODR) Regulations and other statutory compliances. Furthermore, in respect of all/any conflicts of interest arises among the equity shareholders in relation to the related party transactions entered in the past, there are no such conflicts of interest arises among the equity shareholders in relation to related party transactions. The related party transactions entered into for the last 3 fiscals being year ended March 31, 2022, 2021 and 2020 constitute more than 10% of the total transactions of a similar nature in that financial year

For further details, see "Restated Standalone and Consolidated Financial Informations–Note 34- Related party disclosure" on page F-27 and in chapter titled "Risk factor" point 18 on page 34 of the RHP

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 since March 31,2022 and for the period ending June 30,2022.

Weighted average price at which the specified securities were acquired by our Promoters in the last one year

Our Promoter has not acquired any Equity Shares in the last one year preceding the date of this Red Herring Prospectus.

Details of price at which specified securities were acquired by our Promoters, the members of the Promoter Group, and Shareholders with special rights in the last three years preceding the date of this Red Herring Prospectus.

Our Promoter and members of promoter group have not acquired any Equity Shares in the last one year preceding the date of this Red Herring Prospectus. None of the Shareholders have a right to nominate directors on the Board or have other special rights in the Company. No Equity Shares have been allotted to any member forming part of the Promoter Group (other than our Promoters) in last three years preceding the date of this Red Herring Prospectus.

Details of weighted average cost of acquisition of all shares transacted over the trailing one year and three years preceding the date of this Red Herring Prospectus

| Period | Weighted Average Cost of Acquisition (in Rs.) | Cap Price is 'X' times the Weighted Average Cost of Acquisition | Range of acquisition price: Lowest Price-Highest Price(in Rs.) |
|--------------|---|---|---|
| Last 1 year | N.A# | N.A# | N.A# |
| Last 3 years | N.A# | N.A# | N.A# |

#There were no Equity Shares acquired in the last one year preceding the date of this Red Herring Prospectus hence it is not applicable.

As certified by M/s. H. R Jain & Co, Chartered Accountants vide their certificate dated December 20,2022.

Details of weighted average cost of acquisition of all shares transacted over the trailing 18 months preceding the date of this Red Herring Prospectus

| Period | Weighted Average Cost of Acquisition (in Rs.) | Upper End of the Price Band is 'X' times the Weighted Average Cost of Acquisition (in ₹) | Range of acquisition price: Lowest Price-Highest Price(in Rs.) |
|----------------|---|--|---|
| Last 18 months | N.A# | N.A# | N.A# |

#There were no Equity Shares acquired in the last one year preceding the date of this Red Herring Prospectus.

Average cost of acquisition of Equity Shares

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

| Name of Promoter | No. of Equity Shares held | Average Cost of Acquisition (in Rs.) |
|------------------------|---------------------------|--------------------------------------|
| Sat Industries Limited | 1,43,16,000 | 12.96 |
| Total | 1,43,16,000 | 12.96 |

As certified by M/s. H. R Jain & Co, Chartered Accountants vide their certificate dated December 20, 2022

Equity Shares issued for consideration other than cash in last one year

We have not issued any Equity Shares for consideration other than cash during last one year from the date of this Red Herring Prospectus.

Split/ Consolidation of Equity Shares in the last 1 (one) year

Our Company has not undertaken any split or consolidation of Equity Shares during the last 1 (one) year from the date of this Red Herring Prospectus.

Exemption under securities laws

Our Company has not been granted any exemption by SEBI from complying with any provisions of securities laws, as on the date of this Red Herring Prospectus.

Capacity Utilisation :

The details of installed capacity and capacity utilisation is as under :

| Particulars | Units | March 31, 2020 | March 31, 2021 | March 31, 2022 | June 30, 2022* |
|----------------------------|-------|----------------|----------------|----------------|----------------|
| A. Looms Production | | | | | |
| Installed Capacity | Kgs | 4123704 | 4429152 | 4429152 | 1107288 |
| Actual Production | Kgs | 3815178 | 3304082 | 3717836 | 911094 |
| Capacity Utilisation | % | 92.52 | 74.60 | 83.94 | 82.28 |
| B. Tape Plant | | | | | |
| Installed Capacity | Kgs | 4577760 | 4577760 | 4577760 | 1144440 |
| Actual Production | Kgs | 3922077 | 3260479 | 3832524 | 1001898 |
| Capacity Utilisation | % | 85.68 | 71.22 | 83.72 | 87.54 |

For further details, see "Our Business - Capacity Utilisation" at page 134

Percentage of Inventory Written Off

We have not written off any our inventory during the three months ended June 30, 2022 and Fiscals 2022, 2021 and 2020 respectively.

SECTION II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring 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, the industry and segments in which we currently operate or propose to 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 or a combination 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 be adversely affected, the trading price of our Equity Shares could decline and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 126, 116, 177 of this Red Herring Prospectus respectively, as well as the financial, statistical and other information contained in this Red Herring Prospectus.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section, such as those relating to levels of consolidated indebtedness and our ability to comply with the covenants contained in the agreements that govern our indebtedness. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisers about the particular consequences to you of an investment in our Equity Shares. Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Consolidated Financial Statements for the three months ended June 30, 2022, Fiscal 2022, Fiscal 2021, Fiscal 2020 included in this Red Herring 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 Red Herring 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 Red Herring Prospectus. For details, see “Forward-Looking Statements” on page 19 of this Red Herring Prospectus.

Unless stated otherwise, industry and market data used in this section have been obtained or derived from publicly available information as well as industry publications and sources. Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year. Financial information for the three months ended June 30, 2022 is not indicative of full year results of operations and is not comparable with the annual financial statements presented in this Red Herring 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 section.

INTERNAL RISK FACTORS

Risks relating our business

1. We have had experienced negative cash flows from operations in the recent past, and we may have negative cash flows in the future.

We experienced the cash flows, both positive and negative, set forth in the table below for the specified periods: experienced negative cash flows from operations in the recent past.

(Rs. in lakhs)

| Particulars | Three months period ended June 30, 2022 | Fiscal 2022 | Fiscal 2021 | Fiscal 2020 |
|--|---|-------------|-------------|-------------|
| Net cash flow from operating activities | (20.94) | (79.22) | 138.92 | 259.10 |
| Net cash flow from/(outflow) investing activities | (287.99) | (1079.37) | (233.06) | (83.07) |
| Net cash flow from/(outflow) financing activities | 423.54 | 1111.12 | 85.71 | (166.32) |
| Net increase/(decrease) in cash and cash Equivalents | 114.61 | (47.47) | (8.43) | 9.71 |

Note:

Our cash flow for any interim period within a fiscal year, such as for the three month period ended June 30, 2022, is not necessarily indicative of or comparable with our cash flow for any full fiscal year.

There can be no assurance that our net cash flows will be positive in the future. Any negative cash flows in the future could adversely affect our results of operations and financial condition, and we cannot assure you that our net cash flows will be positive in the future. For further details, see “Summary Financial Information” and “Management’s Discussion and Analysis of Results of Operations and Financial Condition — Cash Flows” on pages 177 of this RHP.

2. Name of one of our Promoter group Company viz; Aeroflex Industries Limited., is appearing in the RBI wilful defaulters list issued by CIBIL in relation to default in payment with respect to various facilities availed by the Company in the past . In case such instances occur once again it could adversely affect our reputation.

The name of one of our Promoter group Company viz; Aeroflex Industries Limited., is appearing in the list of wilful defaulter issued by CIBIL in relation to default in payment with respect to various facilities availed by the Company in the past from State Bank of India (“SBI”), Axis Bank, Bank of India, UCO Bank, Exim Bank and Allahabad Bank (hereinafter collectively referred to as “Consortium”) in the year 2009 and prior thereto for its business. Due to certain unfortunate commercial and financial events prevailing at the time, Aeroflex Industries Limited could not honor the financial commitments made to the banks in time. The Board of Directors in their meeting held on July 14, 2010 formed an opinion as to the sickness of the Company and filed an application under Section 15 of Sick Industrial Companies Act, 1985 with the Board for Industrial and Financial Reconstruction. It was observed by the Hon’ble Bench that the possession of assets of the Company had been taken over by State Bank of India and it was decided that the secured creditors and government departments are at liberty to file or pursue suit, if already filed before the competent Court of law to recover the dues from the Company and hence the Company was subject to proceedings under the applicable provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI”) before the Debt Recovery Tribunal (“DRT”). Further, the Company was also subject to civil recovery proceedings before the Hon’ble High Court of Bombay. Aforementioned litigation proceedings have been withdrawn by the relevant parties which is also evident from the ‘No Dues Certificates’ received from all banks forming part of the Consortium. As on date, the Company is not liable to pay any outstanding dues to any of the banks forming part of the Consortium as all of the outstanding dues have been discharged off in their entirety through one time settlement through Compromise settlement.

| Sr. No | Name of banks forming part of Consortium | Particulars of settlement | Date and particulars of no dues certificate |
|--------|--|---|---|
| 1. | State Bank of India | One Time Settlement | August 30, 2018 |
| 2. | Bank of India | One Time Settlement | September 01, 2018 |
| 3. | Axis Bank | Facilities were assigned to International Asset Reconstruction Company (“IARC”) for recovery. | No dues certificate dated September 03, 2018 is available from IARC |
| 4. | Allahabad Bank | Facilities were assigned to International Asset Reconstruction Company (“IARC”) for recovery. | No dues certificate dated September 03, 2018 is available from IARC |
| 5. | UCO Bank | Compromised Settlement | March 28, 2018 |
| 6. | Exim Bank | Facilities were assigned to Edelweiss Asset Reconstruction Company (“EARC”) for recovery. | No dues certificate dated September 04, 2018 is available from EARC |

On April 01, 2018, Sat Industries Limited, the Promoter of Sah Polymers Limited acquired stake in capital of Aeroflex Industries Limited from the erstwhile Promoters of the Company. Consequent upon acquisition, Aeroflex Industries Limited became a subsidiary of Sat Industries Limited. Pursuant to the said acquisition, Sat Industries Limited approached lenders and settled their claims through compromise one time settlement and upon settlement, the lenders issued no dues certificate/charge satisfaction letter. Since the acquisition and settlement of dues with the erstwhile lenders, Aeroflex Industries limited has been honouring all its commitments on time. Further, in the past one adjudication proceedings were initiated by SEBI against the our Company vide Show Cause Notice dated EAD-5/MC/RM/29509/2021 dated October 22, 2021. The allegations set out in the SCN dated October 22, 2021 were not established and the adjudication proceedings initiated against the Issuer Company were disposed of vide Order dated 28.01.2022 without any directions. In the past SEBI had initiated proceedings against one of the shareholder of our Promoter’s promoter viz. Space Age Polymers LLP in the matter of Peacock Industries Limited and Space Age Polymers LLP was debarred for 1 year vide Order dated October 26, 2009. The period of debarment ended in 2010.

While no legal proceedings or regulatory action has been initiated against our Company or our Promoter in relation to

the above proceeding and show cause notices as of the date of this Red Herring Prospectus, we cannot assure you that such proceedings or regulatory actions will not be initiated against our Company or Promote in the future in relation to such incidents and incidents of a similar nature. However, such proceedings will not have a material adverse effect on our financial condition as there is no impact on the us as on date.

3. *We derive significant portion of our revenue from limited number of customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.*

We are dependent on a limited number of customers for a significant portion of our revenues. Revenues generated from sales to our top 10 customers was Rs. 1757.56 lakhs , Rs. 5391.72 lakhs, Rs. 3,44.08 lakhs and Rs. 3,680.15 lakhs which represented 61.72%, 65.83%, 66.57%, and 79.06% of our revenue from operations during the three months period ended June 30,2022 Fiscal 2022, Fiscal 2021 and Fiscal 2020 respectively.Our Subsidiary viz. Fibcorp Polyweave Private Limited is one of our prevalent customer with a turnover aggregating to Rs. 522.22 lakhs , Rs.1260.75 lakhs Rs. 288.42 lakhs and Rs. 395.40 lakhs constituting 18.34% , 15.39%, 5.24% and 8.05% of our revenue from operations for three months period ended June 30,2022 for fiscal 2022, 2021 and 2020, respectively. Apart from our subsidiary none of our other customers are related directly or indirectly to our Company, our promoters, our directors or our promoter group companies. However, the composition and revenue generated from these clients might change as we continue to add new customers in normal course of business While we have developed valued relationships with certain of our customers in the normal course of business, there can be no assurance that our customers in the past or our newly acquired customers will continue to place similar orders with us in the future. The loss of one or more of these significant customers or a significant decrease in business from any such key customer, whether due to circumstances specific to such customer or adverse market conditions affecting the industry in which our customer operates or the economic environment, may materially and adversely affect our business, results of operations and financial condition. Further there are no direct/indirect relationship, between such entities and the issuer company, its promoters/directors/promoter group except with our Subsidiary Fibcorp Polyweave Private Limited.

Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

4. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.*

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “*Objects of the Issue*” beginning on page 90 of this Red herring Prospectus.

5. *The industry segments in which we operate being fragmented, we face competition from other large and small players, which may affect our business operations and financial conditions*

We compete in FIBC, packaging, bulk container industry on the basis of the quality of our products, price, and customer satisfaction. The industry in which we operate is highly competitive. Factors affecting our competitive success include, amongst other things, price, demand for our products, availability of raw materials and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian packaging industry as compared with us. Competitive conditions in some of our segments have caused us to realise lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. Our failure to compete effectively, including any delay in responding to changes in the industry and market, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability. Our Company is small but growing enterprise and our market share at the moment is not very significant but they are well placed to grow it within Industry across the spectrum. The revenue from operation for the three months period ended June 31,2022 and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 was Rs. 2722.31 lakhs , 8051.14 lakhs , Rs. 5506.99 lakhs and Rs. 4910.07 lakhs respectively. Hence market share of the company is very miniscule and hard to ascertain. Further, the company does not face any competition with their Subsidiary or group company. The market share of one of the major player of the FIBC industry viz. Flexituff

Ventures International Limited is 15%-20% of Indian exports of FIBC and the is the largest producer of FIBC in India. Further, Considering the nature, range of products/services, turnover and size of business of the Company, the peers are not strictly comparable. Also data w.r.t. market share of top 7 competitors is not available with us hence not comparable.

The industry and markets for our products are characterized by factors such as the development of new products, and evolving industry standards . We primarily compete based on the following:

- product functionality, quality and reliability;
- design, and production capabilities;
- ability to meet customers order requirements and delivery schedules;
- customer relationships and
- product price.

Comparison the Key Performance Indicators with our listed peers:

(Rs.in lakhs) (As on March 31, 2022)

| Key Performance Indicators | Sah Polymers Limited# | Peer-Group | | | | Commercial Synbag Limited |
|--|-----------------------|-----------------------|-------------------|------------------------|--------------------------|---------------------------|
| | | Rishi Techtex Limited | Jumbo Bag Limited | SMVD Poly Pack Limited | EMMBI Industries Limited | |
| Revenue from Operations | 8,051.14 | 10,085.75 | 13,056.50 | 8,624.13 | 43,562.20 | 32,158.0 |
| EBITDA ⁽³⁾ | 773.40 | 634.89 | 983.92 | 306.55 | 4920.8 | 3487.65 |
| EBITDA Margin ⁽⁴⁾ | 9.61% | 6.29 | 7.50 | 8.11 | 11.29 | 10.85% |
| Profit After Tax for the Year / Period | 437.54 | 131.85 | 106.09 | 104.63 | 1,903.30 | 1,818.28 |
| PAT Margin ⁽⁵⁾ | 5.43% | 1.30% | 0.81% | 1.21 | 4.37 | 5.65 |
| ROE ⁽⁶⁾ | 16.42% | 17.83% | 3.35% | 4.65 | 12.41 | 0.20% |
| ROCE ⁽⁷⁾ | 0.14 | 10.55 | 14 | 9.07 | 8.19 | 0.15 |
| Debt / Equity ⁽⁸⁾ | 1.15 | 0.98 | 2.61 | 1.40 | 0.94 | 0.69 |
| Market capitalisation rs. In lakhs. | - | 2066 | 1851 | 1520 | 16372 | 43701 |

Source: Annual Reports of the respective companies / www.bseindia.com/www.nseindia.com

- Considering the nature, range of products/services, turnover and size of business of the Company, the peers are not strictly comparable. However, above Companies have been included for broad comparison.
- The figures for Sah Polymers Limited are based on the Restated Consolidated and Standalone Financial Information for the year ended March 31, 2022.
- The figures for the peer group are sourced from the annual audited financial results for the year ended March 31, 2022 filed with both the stock exchanges on standalone and Consolidated basis.

For more details please refer to chapter titled “Basis of Issue price “ on page 111 of the RHP.

As certified by M/s. H. R Jain & Co, Chartered Accountants vide their certificate dated December 13, 2022.

KPIs disclosed above has been approved by the Audit Committee of the Company in their meeting held on dated December 13, 2022

Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability. Also, see “**Business - Competition**” on page 135 of this Red Herring Prospectus.

Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian FIBC industry as compared with us. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability. Also, see “**Business - Competition**” on page 135 of this Red Herring Prospectus

6. Our Company requires significant amounts of working capital and significant portion of our working capital is consumed in trade receivables and inventories. Our inability to meet our working capital requirements including failure to realise receivables and inventories may have an adverse effect on our results of operations and overall business.

Our business requires significant working capital, such as to finance the purchase of raw materials, consumables, stores & spares and payments for operating expenses before we receive payment from our customers. In addition, the actual amount of our future capital requirements may differ from estimates as a result of, among other factors, cost overruns, unanticipated expenses, regulatory changes, economic conditions, additional market developments and new opportunities in the w industry. A significant portion of our working capital is consumed in trade receivables and inventories. Summary of our working capital position is given below:

| Particulars (Rs. in lakhs) | As at June 30, 2022 | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 |
|--|---------------------|----------------------|----------------------|----------------------|
| Current Assets | | | | |
| Inventories | 1604.74 | 1559.34 | 571.56 | 560.76 |
| Trade Receivables | 1540.05 | 1385.58 | 969.23 | 900.01 |
| Cash and bank balances | 90.81 | 189.78 | 194.30 | 104.32 |
| Bank Balances Other than above | 59.54 | 59.22 | 50.63 | 65.63 |
| Other Financial Assets | 941.26 | 697.49 | 685.14 | 82.00 |
| Other Current Assets | 227.42 | 224.94 | 102.55 | 544.54 |
| Total Current Assets (A) | 4463.82 | 4,116.32 | 2,573.41 | 2,257.26 |
| Current Liabilities | | | | |
| Trade Payables | 960.24 | 785.40 | 340.97 | 448.17 |
| Current Tax Liabilities (Net) | 135.85 | 96.33 | 17.66 | 0.44 |
| Provisions | 7.16 | 0 | 4.32 | 5.35 |
| Other Current Liabilities | 193.75 | 123.21 | 164.25 | 85.56 |
| Total Current Liabilities (B) | 1297.00 | 1004.94 | 527.20 | 539.52 |
| Working Capital Requirement (A-B) | 3166.82 | 3111.38 | 2,046.21 | 1,717.74 |
| Working Capital Requirement as a % of Total Assets | 42.03% | 45.31% | 50.43% | 47.21% |
| Working Capital Requirement as a % of Revenue from Operations | 116.33% | 38.65% | 37.16% | 34.98% |
| Inventories as a % of Total Current Assets | 35.95% | 37.88% | 22.21% | 24.84% |
| Trade Receivables as a % of Total Current Assets | 34.50% | 33.66% | 37.66% | 39.87% |

Our inventories as a % of total current assets as on June 30, 2022, March 31, 2022, March 31, 2021, and 2020 were 35.95%, 37.88%, 22.21%, and 24.84% respectively. We have to maintain adequate inventories of raw materials, stores, spares & consumables, work-in-progress and finished goods to meet our day to day requirements and avoid situations like stock-outs. The result of our operations depend upon our ability to manage our inventories. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and manufacture and trade inventory accordingly. If our management misjudges expected customer demand, it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. toFurther, if we fail to sell the inventory, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, which could have an adverse impact on our income and cash flows, liquidity and overall business. Our trade receivables were Rs. 1540.05 lakhs, Rs. 1385.58, Rs. 969.23 lakhs and Rs. 900.01 lakhs as on June 30, 2022, March 31, 2022, March 31, 2021 and 2020 respectively aggregating to 56.57%, 17.21%, 17.60% and 18.33% of revenue from operation for June 30, 2022, March 31, 2021, March 31, 2020, respectively. Out of the above trade receivables for the period ending on June 30, 2022, Rs. 1403.28 lakhs is due for a period for less than 6 months and ₹ 136.77 lakhs is due for a period of more than 6 months for period between 3 to 4 years is INR 136.77 lakhs. All trade receivables are undisputed and considered good as at 30 June 2022. Trade receivables outstanding as at 31 March 2022 for less than 6 months is INR 1,245.76 lakhs, for period 6 months to 1 year is INR 0.51 lakhs, for period 1 year to 2 years is INR 0.17 lakhs, for period 2 years to 3 years is INR 30.51 lakhs and for period between 3 to 4 years is INR 108.63 lakhs. Total trade receivables outstanding as at 31 March 2022 is INR 1,385.58 lakhs. All trade receivables are undisputed and considered good as at 31 March 2022. Trade receivables outstanding as at 31 March 2021 for less than 6 months is INR 832.38 lakhs, for period 1 year to 2 years is INR 27.32 lakhs and for period 2 years of 3 years is INR 109.53 lakhs. Total trade receivables outstanding as at 31 March 2021 is INR 969.23 lakhs. All trade receivables are undisputed and considered good as at 31 March 2021. Trade receivables outstanding as at 31 March 2020 for less than 6 months is INR 869.68 lakhs and for period 6 months to 1 year is INR 30.33 lakhs. Total trade receivables outstanding as at 31 March 2020 is INR 900.01 lakhs. All trade receivables are undisputed and considered good as at 31 March 2020. Pendency due to desruption of economic activities over the world due to COVID 19. With the improvement in

economic activities consequent upon receding of COVID 19 effect. Parties here assured an early payment we don't foresee any non-receivables of the dues in future. Our trade receivables turnover days were 63 days, 64 days and 67 days for the Fiscals 2022, 2021, 2020 respectively. Our trade receivables are generally non-interest bearing in nature. Our working capital requirements may increase if the payment terms in purchase orders received include reduced or zero advance payments or longer payment schedules, or if there is delayed realisation from our customers. These factors may result, and have in the past resulted, in increases in the amount of our receivables and short-term borrowings. Continued increase in our working capital requirements may have a material adverse effect on our financial condition, results of operations and cash flows.

We intend to continue grow our business operations by launching new variety of product lines and expanding capacities of our existing products. The Objects of the Issue includes, amongst others, funding the capital expenditure for setting up of new manufacturing unit and funding the working capital requirement of our business. In order to sell new products manufactured, we might have to maintain higher level of inventories and may also have to offer liberal credit terms to our customers to establish the demand and market for the newer / wider range of products. This may result in further increase in the quantum of working capital particularly trade receivables and inventories. Our inability to maintain sufficient cash flows, realize existing inventories & trade receivables, maintain credit facility and other sources of fund, in a timely manner, or at all, to meet the increasing requirement of working capital may have significant adverse effect on our financial condition and result of our operations. For further details, please refer to the chapter titled "Objects of the Issue" beginning on page 90 of this Red Herring Prospectus.

7. We require a number of approvals, NOCs, licences, registrations and permits for setting up our new manufacturing unit as well as in the ordinary course for our existing business and any failure to obtain the same will adversely affect our operations, business and profitability

The proposed setting up of a new manufacturing unit will require us to obtain various approvals, which are routine in nature. We will also need to apply for certain additional approvals for the proposed facility, as required in due course. There can be no assurance that we will be able to obtain these registrations and approvals in a timely manner or at all. Further, in the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We have converted the usage of land from Agricultural purpose to Non-agricultural purpose pursuant to order dated 21st October 2021 issued by the Revenue Department, Government of Rajasthan. As per the Rajasthan MSME Act, a new enterprise and an enterprise set up or proposed to be set up by an existing enterprise for manufacturing products or providing services at a location which is separately identifiable and different from location of the existing enterprise, is exempted from obtaining the necessary licenses and approvals for a period of three (3) years. We have received Consent to Establish under section 21(4) of the Air (Prevention & Control of Pollution) Act, 1981 from Rajasthan State Pollution Control Board dated February 10,2022 We will apply for the requisite licenses and approvals before the expiry of the period of exemption which is September 2,2024

Currently, with respect to the material approvals/ licenses with regards to our object of the issue, our Company has the following pendency:

1. Factories License under Factories Act, 1948
2. Consent to operate under Rajasthan Pollution Control Board

Apart from the above, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course of our business Any failure to renew the approvals that may expire, or to apply for the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects.

For more information, see chapter "Government and Other Statutory Approvals" on page 206 of this Red herring RHP.

8. Our existing and proposed manufacturing facility are concentrated in a single region i.e., Rajasthan and the inability to operate and grow our business in this particular region may have an adverse effect on our business, financial condition, results of operations, cash flows and future business prospects.

All our facilities like registered office, manufacturing unit and processing unit is located in Rajasthan and we propose to set up our new facility in Rajasthan as well, which exposes us to risks of concentration. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Although in the past we have not experienced instances of operating risks, however our manufacturing facilities are susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. It is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns at our facility due to any reason, including

disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

Further, any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the state government or state or local governments in this region could adversely affect our manufacturing operations, and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing facilities could result in significant loss due to an inability to meet customer contracts and production schedules, which could materially affect our business reputation within the industry. The occurrence of or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects. Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business.

9. Our Company has availed unsecured loans from banks, NBFC, Holding company/Corporate promoter and unrelated third party, which may be recalled on demand.

For the three months ended June 30, 2022 and for the financial year ending March 31, 2022, March 31, 2021 and March 31, 2020, our Company has outstanding unsecured loans amounting to Rs. 2420.83 lakhs, Rs.2019.16 lakhs, Rs. 523.55 lakhs, and Rs.445.26 lakhs respectively as unsecured loans from banks, an NBFC and related party viz. Holding company/Corporate promoter and unrelated third party which is repayable on demand to the relevant lenders.

| UNSECURED LOAN : | Security | June 30, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
|--|--|----------------------|-----------------------|-----------------------|-----------------------|
| <i>Repayable on demand</i> | Not applicable as the loans are unsecured and repayable on demand. | | | | |
| <u>from banks :</u> | | | | | |
| Deutsche Bank | | 163.46 | 158.52 | - | 226.21 |
| ICICI Bank Ltd | | 298.49 | 270.33 | 251.81 | - |
| Deutsche Bank -OD | | 93.92 | 94.70 | - | - |
| <u>Others:</u> | | | | | |
| Tata Capital Financial Services Limited | | 292.07 | 290.61 | 271.74 | 219.05 |
| Loan related party from holding company | | 790.18 | 780.00 | 0 | 0 |
| SAT Industries Limited | | | | | |
| Other than related party -DA Tradetech Private limited | | 782.71 | 425.00 | 0 | 0 |
| Total | | 2420.83 | 2019.16 | 523.55 | 445.26 |

For further details on break up of unsecured loan please refer to risk factor 34 on page 46 of this chapter. These loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. In such cases, our Company may be required to repay the entirety of the unsecured loans together with accrued interest. Our Company may not be able to generate sufficient funds at short notice to be able to repay such loans and may resort to refinancing such loans at a higher rate of interest and on terms not favorable to it. Failure to repay unsecured loans in a timely manner may have a material adverse effect on our business, cash flows and financial condition. For further details of unsecured loans of our Company, please refer the chapter titled "Financial Statements as Restated" beginning on page 173 of this Red Herring Prospectus.

10. Italica Furniture Private limited, our Group Company and Fibcorp Polyweave Private Limited, our Subsidiary is carrying on business activities similar to our business. This may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial condition and results of operations.

One of our Group Company, Italica Furniture Private Limited and our Subsidiary Fibcorp Polyweave Private Limited, pursuant to the provisions of its Memorandum of Association is authorized to carry on activities similar to that of our Company's business and could offer products that are related to the business of our Company. However currently our group company is not engaged in similar line of activities as that of our company but we cannot guarantee that it may commence such activities in future and this could lead to a conflict of interest in allocating business opportunities amongst our Company and our Group Company. As on the date of the RHP, our Subsidiary is majorly engaged in activities of sales of FIBC products, similar to that of our company. Our Company and our subsidiary competes primarily in Rajasthan and Gujarat. However, our Company and Fibcorp Polyweave Private Limited have entered into a Non-Compete Agreement dated April 13, 2022 agreeing that it will not carry on similar business in any other State in India There can be no assurance that our Promoters or our Group Company or members of the Promoter Group or

subsidiary will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

Thus in future conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Company and member of promoter group in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other companies or ventures in which our Promoter has interest.

11. Information relating to the installed manufacturing capacity of our manufacturing facility included in this Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.

Information relating to the installed manufacturing capacity of our facility included in this RHP are based on various assumptions and estimates of our management that have been taken into account by our Chartered Accountant in the calculation of the installed manufacturing capacity of our manufacturing facility. These assumptions and estimates include the standard capacity calculation practice of FIBC and packaging industry after examining the equipment installed at the facilities, the period during which the manufacturing facilities operated in a year/ period, expected operations, availability of raw materials, expected utilization levels, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. For further information, see “*Our Business - Capacity and Capacity Utilization*” on page 135 of this RHP. Actual production levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facilities depending on the product type. Further, the installed capacity, capacity utilisation and other related information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to capacity information that may be computed and presented by other FIBC manufacturing companies. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this RHP.

12. We have capital expenditure requirements and may require additional financing to meet those requirements, which could have a material adverse effect on our results of operations, cash flows and financial condition.

For the three month period ended June 30, 2022 and for the fiscal 2022, 2021 and 2020 our capital expenditures (net additions), reflected in our financial statements as additions/adjustments to property, plant and equipment were, Rs. 31.96 lakhs, Rs. 237.98 lakhs Rs. 222.13 lakhs and Rs. 84.74 lakhs respectively aggregating to 1.26% 9.49%, 9.78% and 4.13% for three month period ended June 30, 2022 and for the fiscal 2022, 2021 and 2020 respectively. The actual amount and timing of our future capital requirements may differ from estimates due to, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, weather related delays, technological changes, additional market developments and new opportunities in the FIBC industry. Our sources of additional financing, where required to meet our capital expenditure plans, may include the incurrence of debt, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows. Any issuance of equity to raise additional funds, on the other hand, would result in a dilution of the shareholding of existing shareholders.

13. Our lenders have charge over our movable and immovable properties in respect of finance availed by us. Our inability to meet our obligations under our debt financing arrangements could adversely affect our business, results of operations and cash flows.

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our movable and immovable properties. The total amounts outstanding and payable by us as secured loans for the three month period ended June 30, 2022 and for the fiscal 2022, 2021 and 2020 were Rs. 658.61 lakhs, Rs.866.54, Rs. 780.21 lakhs and Rs. 592.12 lakhs For further details, please refer to **Note 15 – Borrowings – Non- Current and Note 17 – Borrowings – Current** , beginning on Page F-22 respectively , under the chapter titled “**Financial Statements**” and “Financial indebtedness” beginning on page 173 and 195 of this Red herring prospectus.

In the past we have not defaulted on any payment of repayment of the loans / facilities availed by us and any interest thereof,. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be subject to Invocation/forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. Any failure on our part to comply with the terms in our loan agreements would generally result in events of default under these loan agreements. In such a case, the lenders under each of these respective loan agreements may, at their discretion, accelerate payment and declare the entire outstanding amounts under these loans due and payable, and in certain instances, enforce their security which has been constituted over our various assets and take possession of those assets, which could adversely affect our liquidity and materially and adversely affect our business and operations.

14. There may have been certain instances of non-compliances and alleged non-compliances with respect to certain regulatory filings for corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties for any such past or future non-compliance and our business, financial condition

and reputation may be adversely affected.

Our Company has not complied with certain statutory provisions such as the following:

- Our company failed to appoint whole time Company Secretary since the year 1998, as required under section 383A of Companies Act, 1956 read with Companies (Appointment and Qualifications of Secretary) Rules, 1988 as amended and Companies (Appointment and Qualifications of Secretary) Amendment Rules, 2009 despite all our efforts to recruit a full time Company Secretary. Our company has appointed the Whole Time Company Secretary on June 20, 2012 and is in compliance with the requirements under companies act and rules in this regard. As on date our Company is in compliance with the said provisions.

Except as mentioned in this RHP, till date, there has been no amount of penalty levied on the Company for such delays/defaults apart from the additional fees that the company has paid on late filings. Further no show-cause notice in respect of the above non-compliances has been received by the Company till date. Any penalty imposed for such non-compliances in future by any regulatory authority could affect our financial conditions to that extent. Such delay/noncompliance may in the future render us liable to statutory penalties and disallowing the resolutions, which may have consequence of violation of statutory provisions concerned. While this could be attributed to technical lapses and human errors, our Company is in the process of setting up a system to ensure that requisite filings are done appropriately with the requisite timeline in future without any delay or default.

15. We have certain contingent liabilities that have not been provided for in our Company's financials which if materialised, could adversely affect our financial condition.

The following table sets forth our contingent liabilities as of as at June 30, 2022 and March 31, 2022, as per the Restated Standalone and Consolidated Financial Informations:

| <i>(Rs. In Lakhs)</i> | | | | |
|--|----------------------|------------------------------------|----------------------|------------------------------------|
| Particulars | As at June 30, 2022* | % of networth as at June 30, 2022* | As at March 31, 2022 | % of networth as at March 31, 2022 |
| (a) Contingent liabilities | | | | |
| Tax Matters** | 1.61 | 0.06 | 1.61 | 0.06 |
| Guarantees issued by banks secured by bank deposits under lien with the bank Rs. 52.36 (Rs.58.64) Lakh | 500.00 | 18.02% | 500.00 | 18.76% |
| (b) Commitments** | | | | |
| Estimated amount of contracts remaining to be executed on capital accounts and not provided for | 764.44 | 27.55% | 779.42 | 29.25% |

* Not Annulized

**Net of deposit and does not include interest and penalty which is indeterminable. In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled "Financial Statements" on page 173 of this Red Herring Prospectus.

16. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.

Our Company proposes to utilize the Net Proceeds for funding the capital expenditure for setting up of new manufacturing unit to manufacture new line of products in addition to existing products, funding the working capital requirements of the Proposed Project post commencement of commercial production, funding the capital funding the working capital requirements of existing business and general corporate purposes. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. Various risks and uncertainties, including those set forth in this section including inability to obtain necessary approvals for undertaking proposed activities, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

17. Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.

Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances. Although we employ safety procedures in the operation of our facilities and maintain adequate insurance, there is a risk that an accident or death may occur in one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects.

In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products.

Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

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

Our Company has entered into various transactions with our Corporate Promoter, Executive Director, Group Company and Subsidiary. While we trust that all such transactions are conducted on arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to "Restated Standalone and Consolidated Financial Information –Note 34- Related party disclosure" on page F-27 of this RHP.

| Name of Related Party | Nature of Relation | June 30, 2022 * | March 31, 2022 | March 31, 2021 | March 31, 2020 | Nature of Transaction |
|-----------------------------------|--------------------------|-----------------|----------------|-------------------|----------------|-----------------------|
| Italica Furniture Private limited | Fellow Subsidiary | 0.06 | 0.24 | 0.28 | 0.28 | Rent Received |
| | | - | - | 190.00 | 27.00 | Loan Given |
| | | - | - | 217.00 | - | Loan Received Back |
| | | - | - | 3.49 | 1.43 | Interest Received |
| Asad Daud | Managing Director | - | - | - | 50.00 | Loan Taken |
| | | - | - | - | 50.00 | Loan Repayment |
| | | - | - | - | 0.53 | Interest Paid |
| Sat Industries Limited | Holding Company | - | 1,093.93 | 423.00 | 20.00 | Loan Taken |
| | | - | 313.93 | 423.00 | 20.00 | Loan Repayment |
| | | 18.76 | 20.86. | 6.78 | 0.15 | Interest Paid |
| | | - | - | 25.00 | 100.50 | Loan Given |
| | | - | 0.38 | - | - | Export Incentive |
| | | - | - | 50.00 | 75.50 | Loan Received Back |
| | | 0.06 | 0.24 | 0.28 | 0.28 | Rent Received |
| - | - | 0.82 | 0.65 | Interest Received | | |
| Remuneration | Key Management Personnel | 12.05 | 36.70 | 23.22 | 33.74 | Remuneration |

*Not Annualised

Our Company has availed Channel Financing Facility of upto Rs. 300.00 lakhs from Tata Capital Financial Services Limited via their Sanction Letter dated November 25, 2021. Our Company proposes to repay the aforementioned loan out of the Net Proceeds. As on November 18, 2022, our Company had outstanding loan of Rs. 197.33 lakhs towards the said facility, which is proposed to be repaid out of the Net Proceeds. Additionally, Our Company has also availed

unsecured loans from our Holding Company /Corporate Promoter i.e. Sat Industries Limited and DA Tradetech Private Limited on time to time which are repayable on demand, to meet the capital expenditure for the proposed Project as mentioned in previous part and for financing the acquisition of Fibcorp Polyweave Private Limited. As on November 18, 2022, our Company had outstanding indebtedness from the aforementioned entities aggregating to Rs. 1,985.00 lakhs as certified by the Statutory Auditor M/s HR Jain and Company, Chartered Accountants, vide their Certificate dated November 23,2022. Our Company proposes to repay Rs. 1,768.82 lakhs out of the Net Proceeds towards the outstanding loans of both the companies. In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, we have obtained a certificate dated December 13, 2022 from the Statutory Auditors M/s HR Jain and Company, Chartered Accountants, certifying that the borrowings have been utilised towards the purposes for which such borrowings were availed by us. Additionally, pursuant to the Issue, our Company proposes to utilise a part of the Net Proceeds to carry out scheduled repayment or pre-payment of its existing indebtedness and in the event our Company pre-pays certain loans, . For further information, see “Objects of the Issue” on page 90.

| UNSECURED LOAN : | Security | June 30, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
|--|--|----------------------|-----------------------|-----------------------|-----------------------|
| <i>Repayable on demand</i> | | | | | |
| <u>from banks :</u> | Not applicable as the loans are unsecured and repayable on demand. | | | | |
| Deutsche Bank | | 163.46 | 158.52 | - | 226.21 |
| ICICI Bank Ltd | | 298.49 | 270.33 | 251.81 | - |
| Deutsche Bank -OD | | 93.92 | 94.70 | - | - |
| Indusind bank -FCTL (EPC) | | - | 105.42 | - | - |
| <u>Others:</u> | | | | | |
| Tata Capital Financial Services Limited | | 292.07 | 290.61 | 271.74 | 219.05 |
| Loan related party from holding company SAT Industries Limited | | 790.18 | 780.00 | - | - |
| Other than related party –DA Tradetech Private limited | | 782.71 | 425.00 | - | - |
| Total | | 2420.83 | 2019.16 | 523.55 | 445.26 |

Our company has granted loan of Rs. 0.02 lakhs which is outstanding in favour of our group company viz. Italica Furniture private limited apart from the loan as mentioned in the related party schedule, no other loan or advance or guarantees given is outstanding towards any of the related party. Though the loan amount is very miniscule, there can be no assurance that we in future we might grant or give loans and gurantees of higher amount and we might not be able to recover the loan on time which might effect the finnaical conditions of our Company.

Note-All related party transactions are carry out at Arm’s Length Price (ALP). Further, list of the related parties and all related party transactions, are disclosure under Ind AS 24 and / or as covered under section 188(2) of the Companies Act, 2013 (as amended), SEBI (LODR) Regulations and other statutory compliances .Furthermore, in respect of all/any conflicts of interest arises among the equity shareholders in relation to the related party transactions entered in the past, there are no such conflicts of interest arises among the equity shareholders in relation to related party transactions.

| Name of Related Party | Nature of Relation | June 30, 2022 | % of RPT to total revenue | March 31, 2022 | % of RPT to total revenue | March 31, 2021 | % of RPT to total revenue | March 31, 2020 | % of RPT to total revenue | Nature of Transaction |
|-----------------------------------|---------------------------|----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|------------------------------|
| Italica Furniture Private limited | Fellow Subsidiary | 0.06 | 0.002% | 0.24 | 0.003% | 0.28 | 0.005% | 0.28 | 0.006% | Rent Received |
| | | - | | - | | 3.49 | 0.063% | 1.43 | 0.029% | Interest Received |
| Asad Daud | Managing Director | - | | - | | - | | 0.53 | 0.011% | Interest Paid |
| Sat Industries Limited | Holding Company | 18.76 | 0.680% | 20.86 | 0.257% | 6.78 | 0.123% | 0.15 | 0.003% | Interest Paid |
| | | - | | 0.38 | 0.005% | - | | - | | Export Incentive |

| | | | | | | | | | | |
|----------------------|--------------------------|-------|----------------|------|----------------|-------|----------------|-------|----------------|-------------------|
| | | 0.06 | 0.002% | 0.24 | 0.003% | 0.28 | 0.005% | 0.28 | 0.006% | Rent Received |
| | | - | | - | | 0.82 | 0.015% | 0.65 | 0.013% | Interest Received |
| Remuneration | Key Management Personnel | 12.05 | 0.437% | 36.7 | 0.452% | 23.22 | 0.420% | 33.74 | 0.676% | Remuneration |
| | | | | | | | | | | |
| Total revenue | | | 2758.99 | | 8123.45 | | 5534.42 | | 4990.96 | |

| Name of Related Party | Nature of Relation | June 30, 2022 | % of RPT to total outstanding loans | March 31, 2022 | % of RPT to total outstanding loans | March 31, 2021 | % of RPT to total outstanding loans | March 31, 2020 | % of RPT to total outstanding loans | Nature of Transaction |
|-----------------------------------|--------------------|---------------|-------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------|-----------------------|
| Italica Furniture Private limited | Fellow | - | | - | | 190 | 13.78% | 27 | 2.60% | Loan Given |
| | Subsidiary | - | | - | | 217 | 15.73% | - | - | Loan Received Back |
| Asad Daud | Managing | - | | - | | - | | 50 | 4.82% | Loan Taken |
| | Director | - | | - | | - | | 50 | 4.82% | Loan Repayment |
| Sat Industries Limited | Holding | - | | 1,093.93 | 35.82% | 423 | 30.67% | 20 | 1.93% | Loan Taken |
| | | - | | 313.93 | 10.28% | 423 | 30.67% | 20 | 1.93% | Loan Repayment |
| | Company | - | | - | | 25 | 1.81% | 100.5 | 9.69% | Loan Given |
| | | - | | - | | 50 | 3.63% | 75.5 | 7.28% | Loan Received Back |
| Total Outstanding loans | | | 3314.94 | | 3053.85 | | 1379.23 | | 1037.38 | |

| Closing balances | June 30, 2022 | % of RPT to outstanding loan | March 31, 2022 | % of RPT to outstanding loan | March 31, 2021 | % of RPT to outstanding loan | March 31, 2020 | % of RPT to outstanding loan |
|-----------------------------------|---------------|------------------------------|----------------|------------------------------|----------------|------------------------------|----------------|------------------------------|
| SAT Industries Limited | 791.25* | 23.87% | 780* | 25.54% | 172.56* | 12.51% | 25.34* | 2.44% |
| Italica Furniture Private Limited | 0.02** | 0.0006% | - | - | - | - | 27* | 2.60% |

| | | | | | | | | |
|-------------------------|--|----------|--|----------|--|----------|--|----------|
| Total Outstanding loans | | 3,314.94 | | 3,053.85 | | 1,379.23 | | 1,037.38 |
|-------------------------|--|----------|--|----------|--|----------|--|----------|

*credit balance **debit balance

Note: First part in the outstanding loans (row 25) amount is for current loans as per restated financials and second part is for non current loans as per restated financials.

The related party transactions entered into for the last 3 fiscals being year ended March 31, 2022, 2021 and 2020 constitutes more than 10% of the total transactions of a similar nature in that financial year

19. Inadequate or interrupted supply and price fluctuation of our raw materials and packaging materials could adversely affect our business, results of operations, cash flows, profitability and financial condition.

Manufacturing quantity and cost of our products are dependent on our ability to source raw materials and packaging materials at acceptable prices and maintain a stable and sufficient supply of our raw materials. The principal raw materials used in our manufacturing process are Polypropylene, Low Density Polyethylene, High Density Polyethylene, colour master batch, PP Resin, Anti fab /Calcium carbonate, UV stabilizers, Colour Master batch and pigments. The costs of raw materials consumed for the three months period ended June 30, 2022, Fiscals 2022, 2021, 2020 was Rs.1560.31 lakhs, Rs. 4731.56, Rs. 3,120.50 lakhs and Rs. 3,153.63 lakhs respectively, representing 57.32%, 58.77%, 56.66% and 64.23% respectively of our revenue from operations. The raw materials we use are subject to price volatility and unavailability caused by external conditions, such as commodity price fluctuations within India and globally, weather conditions, supply and demand dynamics, logistics and processing costs, our bargaining power with the suppliers, inflation and governmental regulations and policies. We generally pass on the cost escalations to our customers, however, we may not be able to pass on every instance of escalation in input costs and may have to pursue internal cost control measures or may have absorb in some instances. If we are not able to effectively pass on our escalated costs to customers, such price escalations could have a material adverse impact on our result of operations, financial condition and cash flows. We source our raw materials requirement indigenously. We have not entered into any long term agreements with any of our raw material or inputs suppliers and we purchase such raw materials and inputs on spot order basis. Purchases made from our top 10 suppliers for the three months period ended June 30, 2022, Fiscals 2022, 2021 and 2020 were Rs. 1825.86 lakhs, Rs. 4461.44 lakhs, Rs. 2,840.01 lakhs and Rs. 3,002.72 lakhs representing 96.84%, 76.24%, 91.01% and 95.21% of our total raw material purchases for the three months period ended June 30, 2022 and Fiscals 2022, 2021 and 2020 respectively. While we may find additional suppliers to supply these raw materials, any failure of our suppliers to deliver these raw materials in the necessary quantities or to adhere to delivery schedules, credit terms or specified quality standards and technical specifications may adversely affect our production processes and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose customers which could have a material adverse effect on our business, financial condition and results of operations. Further our raw material supply and pricing may become volatile due to a number of factors beyond our control caused by matters such as acts of God, strikes, civil commotion, riots, war, revolution, acts of governments, lack of adequate production capacity, etc. including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Therefore, we cannot assure that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms. Further, there can be no assurance that we will be able to effectively manage relationships with our existing or new suppliers or that we will be able to enter into arrangements with new suppliers at attractive terms or at all. If we fail to successfully leverage our existing and new relationships with suppliers, our business and financial performance could be adversely affected.

20. Further any defaults or delays in payment by a significant portion of our customers, may have an adverse effect on cash flows, results of operations and financial condition.

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control caused by matters such as acts of God, strikes, civil commotion, riots, war, revolution, acts of governments, lack of adequate production capacity, failure or delay in plant start up, breakdown of machinery, shortage of raw materials, equipment, fuel, transportation, or containers, or any other cause whether similar or dissimilar to those enumerated that are reasonably beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customers discretion or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the customers may default or otherwise fail to pay amounts owed.

In the ordinary course of business, we extend credit to our customers. Our results of operations and profitability depend on the credit worthiness of our customers. Certain of these customers may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely fashion, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us.

Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition. For the three months ended June 30, 2022, and for March 31, 2022, March 31, 2021, March 31, 2020 our Company has made a provision for doubtful debts in respect of the above cases Nil, Nil, Nil and Rs. 45.78 lakhs respectively against our outstanding dues. Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition.

21. Our Company, Group Company, Corporate promoter, Directors and Subsidiary are involved in certain litigations viz. criminal, civil and tax proceedings which are currently pending at various stages. Any adverse decision in these proceedings may render us liable to various penalties and/or monetary compensation and may adversely affect our business and results of operations.

There are outstanding legal proceedings involving our Company, Group Company, Corporate promoter, Directors and Subsidiary which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company and Promoter. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. Certain details of such outstanding legal proceedings as of date of this Red Herring RHP are set out below:

A classification of legal proceedings is mentioned below:

| Name of Entity | Criminal Proceeding | Tax Proceeding * | Statutory or Regulatory Proceeding | Disciplinary actions by the actions by the SEBI or Stock Exchanges against our Promoters | Material Civil Litigation | Aggregate amount involved (Rs in million) |
|-----------------------|---------------------|------------------|------------------------------------|--|---------------------------|---|
| Company | | | | | | |
| By the Company | Nil | 1 | Nil | Nil | Nil | Nil |
| Against the Company | Nil | Nil | Nil | Nil | Nil | Nil |
| Directors | | | | | | |
| By our Directors | Nil | Nil | Nil | Nil | Nil | Nil |
| Against our Directors | Nil | 1 | Nil | Nil | Nil | Nil |
| Promoters | | | | | | |
| By our Promoters | 3 | 1 | Nil | Nil | 1 | Nil |
| Against Promoters | Nil | Nil | Nil | Nil | Nil | Nil |
| Group Company | | | | | | |
| By Group Company | Nil | 1 | Nil | Nil | Nil | Nil |
| Against Group Company | Nil | Nil | Nil | Nil | Nil | Nil |
| Subsidiary | | | | | | |
| By Subsidiary | Nil | 1 | Nil | Nil | Nil | Nil |
| Against Subsidiary | Nil | Nil | Nil | Nil | Nil | Nil |

*company has created a provision for tax proceedings in the contingent liabilities , wherever quantifiable.

** Other Material Proceedings by the Company – Outstanding receivable of USD 84,960.50 ie., INR 69,35,656.96 and costs awarded amounting to USD GHC 5,000 ie., INR 28,395.98 (per Exchange Rates as on 24.11.2022).

We may be required to devote management and financial resources in the defense or prosecution of such legal proceedings. Further, there is no assurance that in future, we, our Promoter, Directors or Group Company and Subsidiary may not face legal proceedings. Should any new developments arise, including a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and have to make further provisions in our financial statements, which could increase our expenses and our liabilities. There can be no assurance that the provisions we have made for litigation will be sufficient or that further litigation will not be brought against us in the future. Decisions in such proceedings adverse to our interests may have a material adverse effect on our business, cash flows, financial condition, and results of operations. Further, delay in settlement of statutory dues, vendor payments and employee settlement cases may also have an adverse impact on us.

In the event significant claims are determined against us and we are required to pay all or a portion of the disputed amounts, there could be a material adverse effect on our business and profitability. We cannot provide any assurance that these matters will be decided in our favour. Furthermore, we may not be able to quantify all the claims in which we are involved. Failure to successfully defend these or other claims or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subjected to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure that similar proceedings will not be initiated in the future. This could adversely affect our business, cash flows, financial condition, and results of operation. For further details in relation to legal proceedings involving our Company, Promoter, Directors, Group Company and Subsidiary, kindly refer the chapter titled “Outstanding Litigation and Material Developments” on page 198 of this Red Herring RHP.

22. Our success depends on our ability to build new manufacturing plant and expand our product portfolio, both of which are subject to risks and uncertainties. Delay in schedule of implementation may subject our Company to risks related to time and cost overrun which may have a material adverse effect on our business, results of operations and financial condition.

We intend to use part of our Net Proceeds to establish a new manufacturing facility to manufacture different variants of HDPE/PP Woven Sacks and FIBC products with filling capacity of upto 2,500 KGs, with an annual installed capacity of 3,960 MT. The proposed Project is estimated to commence commercial operations in the financial year 2022-23. We intend to fund our capital expenditure requirements to set up a new manufacturing facility at Arajaji no. 1164-1166, Village Modi, Tehsil Vallabhnagar, Udaipur (Raj.)-313602, India on a land area admeasuring to 16,000 sq. mtrs. Our Company has already purchased land for the proposed manufacturing unit via sale deed dated February 24, 2021 for aggregate consideration of Rs. 175.81 lakhs including additional costs in relation to the stamp duty payment, registration charges, survey fees and other miscellaneous fees and charges. We are currently in possession of the said land which were acquired from unsecured loan obtained from our holding company. We have converted the usage of land from Agricultural purpose to Non-agricultural purpose pursuant to order dated 21st October 2021 issued by the Revenue Department, Government of Rajasthan. As per the Rajasthan MSME Act, a new enterprise and an enterprise set up or proposed to be set up by an existing enterprise for manufacturing products or providing services at a location which is separately identifiable and different from location of the existing enterprise, is exempted from obtaining any approval under Rajasthan Law for a period of three (3) years. We have received Consent to Establish under section 21(4) of the Air (Prevention & Control of Pollution) Act, 1981 from Rajasthan State Pollution Control Board dated February 10, 2022. We will apply for the requisite licenses before the expiry of the period of exemption as mentioned in the table below. For more details please refer the chapter titled our "Government and other Statutory Approvals" on page 206 of this Red Herring Prospectus.

| Sr. No. | Pending Licences |
|---------|---|
| 1 | Factories License under Factories Act, 1948 |
| 2 | Consent to operate under Rajasthan Control Board- Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 |

Our inability to build the abovementioned manufacturing facility or commence the commercial operations, for any reason whatsoever, within the timeframe mentioned as above, may result in vesting of the acquired land & building in the state without any consideration receivable, which may adversely affect our financial condition, prospects and business reputation. For more details please refer the chapter titled our "Objects of the Issue" on page 90 of this Red Herring Prospectus.

The requirement of funds and the proposed deployment have not been appraised by any independent agency. Any failure to obtain the term loan sanctioned, or any failure to use any alternate funding on account of any suspension or revocation from either of the banks could result in delaying the setting up of the new manufacturing facility which in turn could adversely affect our operations our business, financial condition, results of operations and prospects.

Since the Issue size is less than Rs.10,000 lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our

Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

Our future growth depends on our ability to significantly increase both our manufacturing capacity and production throughput in a cost-effective and efficient manner. Our ability to expand production capacity is subject to significant risks and uncertainties, including the following:

- the need to raise significant additional funds to build additional manufacturing facility, which we may be unable to obtain on reasonable terms or at all;
- delays and cost overruns as a result of a number of factors, many of which may be beyond our control caused by matters such as acts of God, strikes, civil commotion, riots, war, revolution, acts of governments, lack of adequate production capacity, failure or delay in plant start up, breakdown of machinery, etc., such as our inability to secure successful contracts with equipment vendors or the unavailability of timely supplies of equipment and technologies;
- delays or denial of required approvals by relevant government authorities;
- diversion of significant management attention and other resources;
- failure to execute our expansion plans effectively;
- unavailability of timely supplies of equipment and technologies; and
- failure to identify the right vendors who will supply quality products at correct prices.
- failure to complete the projects within our estimated budget, failure of our contractors and suppliers to adhere to our specifications and timelines

If we are unable to build new manufacturing plant and expand our product within our estimated time frame, we may be unable to expand our business, realise economies of scales by decreasing our costs, maintain our competitive position, or sustain profitability. There can be no assurance that we will complete any proposed expansion in a timely manner or whether it will result in increased production capacity as has been contemplated by our management. Further as and when we commission our planned manufacturing facility, our raw material requirements and costs as well as our staffing requirements and employee expenses may increase and we may face other challenges in extending our financial and other controls to our new unit as well as in realigning our management and other resources and managing our consequent growth. In the event that the risks and uncertainties discussed above or any other unanticipated risks, uncertainties, contingencies or other events or circumstances limit or delay our efforts to use the Net Proceeds to achieve the planned growth in our business, the use of the Net Proceeds for purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of your investment in our Equity Shares.

The proposed setting up of a new manufacturing unit will require us to obtain various approvals and stipulated conditions, which are routine in nature. In addition to such pending approvals, we will also need to apply for certain additional approvals for the proposed facility, as required in due course. There can be no assurance that we will be able to utilise the land for the purpose for which it is allowed/purchased within the stipulated time or obtain the required registrations/permissions or approvals in a timely manner or at all. Further, in the event of any unanticipated delay in utilisation or receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

23. *We have not yet placed orders for 100% in relation to the capital expenditure to be incurred for the proposed Project. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the plant and machineries or complete the civil and related works etc. in a timely manner, or at all, the same may result in time and cost over-runs.*

We intend to utilize portions of the Net Proceeds for funding capital expenditure requirements to set up the proposed Project. As on the date of this RHP, we have placed order for plant and machineries and miscellaneous fixed assets amounting to Rs. 1059.38 lakhs and we are yet to place orders worth Rs. 631.18 lakhs which constitutes 62.66% of the total estimated cost in relation to the purchase of plant machinery and miscellaneous fixed assets. While we have procured quotations from various vendors in relation to the capital expenditure to be incurred for the Proposed Project, we have not placed any firm orders for any of them. For details in respect of the foregoing, see “*Objects of the Issue*” on page 90 of this RHP. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure that we will be able to undertake such capital expenditure at the costs indicated by such quotations or that there will not be cost escalations over and above the contingencies proposed to be funded out of the Net Proceeds. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes.

In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the equipment or completion of the civil and related works, or in the event the vendors are not able to provide the equipment and services in a timely manner, or at all, we may encounter time and cost overruns for the Proposed Project. Further, if we are unable to procure

the requisite plant and machinery, equipment and ancillary items or avail services from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the similar kind of plant and machinery, equipment and ancillary items and services, which satisfy our requirements at acceptable prices. Our inability to procure the machinery and equipment and services at acceptable prices or in a timely manner, may result in an increase in capital expenditure, extension or variation in the proposed schedule of implementation and deployment of the Net Proceeds, thereby resulting in an adverse effect on our business, prospects and results of operations.

We intend to use substantial part of the Net Proceeds for the Manufacturing Unit to expand capacities in our product segments. The Proposed object of the Issue is intended to be funded from a combination of term loan, unsecured borrowings and net proceeds.

The total estimated capital cost for the Proposed Project is Rs. 3381.34 lakhs. We propose to fund the cost of the Proposed Projects as follows:

| Source of funds for total estimated cost | (Rs. in lakhs) |
|---|----------------|
| Net Proceeds | 817.18 |
| Unsecured Borrowings from Corporate promoter/ holding company | 1571.39 |
| Term loan | 992.77 |

Our Proposed manufacturing unit (proposed object of the Issue) remain subject to the potential problems and uncertainties that construction project face including cost overruns or delays. Problems that could adversely affect our expansion plan include labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. Further, there can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition. For further details, see "Objects of the Issue" on page 90 of this RHP. In addition we will also need to apply for certain additional approvals required for the Proposed Project such as Factories License under Factories Act, 1948 and Consent to operate under Rajasthan Control Board- Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 For more details please refer the chapter titled our "Government and other Statutory Approvals" on page 206 of this Red Herring Prospectus. There can be no assurance that we will be able to obtain these registrations and approvals including approvals in relations to power and water procurement in a timely manner or at all. Further, in the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

24. We generate our major portion of sales from our operations in certain geographical regions both domestic and exports. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.

For the three months period ended June 30, 2022 and for the year ended March 31,2022, March 31, 2021 and March 31, 2020, our revenue from our certain geographical regions customers as per our Restated Financial Statements are as followed:

(Rs.in lakhs)

| Countries (geographic Region) | 2019-20 | | 2020-21 | | 2021-22 | | 30-06-2022* | |
|-------------------------------|----------|------------------------|---------|--------------------------|---------|--------------------------|-------------|--------------------------|
| | Sales | Revenue from Operation | Sales | % Revenue from Operation | Sales | % Revenue from Operation | Sales | % Revenue from Operation |
| India (Domestic) | | | | | | | | |
| Rajasthan | 1,334.08 | 26.77% | ,812.05 | 36.36% | 2385.73 | 31.50% | 1136.39 | 42.76% |
| Haryana | 788.99 | 15.83% | 766.86 | 15.39% | 955.48 | 12.61% | 254.43 | 9.58% |
| Gujarat | 2.73 | 0.05% | 121.88 | 2.45% | 503.08 | 6.64% | 5.32 | 0.15% |

| Countries (geographic Region) | 2019-20 | | 2020-21 | | 2021-22 | | 30-06-2022* | |
|---------------------------------|----------------|------------------------|----------------|--------------------------|----------------|--------------------------|-----------------|--------------------------|
| | Sales | Revenue from Operation | Sales | % Revenue from Operation | Sales | % Revenue from Operation | Sales | % Revenue from Operation |
| Punjab | 0 | 0 | 3.09 | 0.06% | 15.57 | 0.20% | 0 | 0 |
| MP | 0 | 0 | 0 | 0 | 112.94 | 1.49% | 12.38 | 0.46% |
| Maharashtra | 36.18 | 0.73 | 48.06 | 0.96% | 0 | 0 | 0 | 0 |
| Orissa | 0 | 0 | 0.13 | 0.002% | 0 | 0 | 0 | 0 |
| Daman & Diu | 0 | 0 | 0.81 | 0.02% | 8.70 | 0.11% | 11.96 | 0.45% |
| Total | 2161.98 | 43.38% | 2752.88 | 55.24% | 3981.5 | 52.55% | 1420.48 | 53.46% |
| <u>Export</u> | | | | | | | | |
| Europe | 635.84 | 12.76% | 645.25 | 11.67% | 1469.99 | 19.41% | 888.522 | 33.57% |
| UAE (Middle East) | 831.37 | 15.03% | 729.3 | 13.19% | 941.97 | 12.44% | 79.59 | 2.99% |
| Ghana and Togo (Africa) | 815.21 | 16.36% | 659.57 | 11.93% | 472.15 | 6.23% | 42.59 | 1.60% |
| Dominican Republic (Caribbean) | 100.25 | 2.01% | 188.66 | 3041% | 222.62 | 2.94% | 58.98 | 2.22% |
| USA | 78.95 | 1.58% | 175.89 | 3.18% | 63.94 | 0.84 | 159.33 | 5.60% |
| Australia | 30.25 | 0.61% | 21.19 | 0.38% | 0 | 0 | 0 | 0 |
| Total | 2491.87 | 50.00% | 2419.86 | 43.75% | 3170.67 | 41.87% | 1229.012 | 46.26% |

*Not annualized per

Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. Our inability to expand into other countries may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in such regions to expand our operations in other parts of India or internationally, due to factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions, and our experience in these regions may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside such markets may adversely affect our business prospects, financial conditions and results of operations. While our management has faith that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we may face and should not rely on our results of operations for any prior periods as an indication of our future performance. Our operations are also impacted by various risks inherent in international sales and operations, including:

- currency exchange rate fluctuations;
- regional economic or political uncertainty;
- currency exchange controls;
- differing accounting standards and interpretations;
- differing domestic and foreign customs, tariffs and taxes;
- current and changing regulatory environments;
- coordinating and interacting with local representatives and counterparties to fully understand local business and regulatory requirements; and

25. To the extent that we are unable to effectively manage our global operations and risks such as the above (in particular, as we implement our strategy to enter into new markets where we do not have local knowledge and resources), we may be unable to grow or maintain our sales and profitability, or we may be subject to additional unanticipated costs or legal or regulatory action. As a consequence, our business, financial condition, results of operations and cash flows may be adversely affected. ***We may not be able to derive the desired benefits from our product development efforts. Commercialization and market development of our product particularly our new variants of FIBC products may take longer time than expected and / or may involve unforeseen business risks.***

While our existing customer base shall act as our captive demand pool for the new product variant, commercialization and market development for such products may take longer time than expected and / or may involve unforeseen business risks which could have an adverse impact on our business and results of operations. There can be no assurance that we will be able to successfully develop the products or that such products will receive market acceptance or adapt our manufacturing processes to incorporate new technologies or address changing consumer trends or emerging industry standards. Any rapid change in the expectations of our customers in our business on account of changes in technology or introduction of new alternate products could adversely affect our business, results of operations and financial condition. Further, there can be no assurance that our newly developed products will achieve commercial success. Even if such products can be successfully commercialised, there is no guarantee that they will be accepted widely by the market. In addition, we cannot assure you that our existing or potential competitors will not develop products which are similar or superior to our products. It is often difficult to project the time frame for developing new products and the duration of market demand for these products, there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested resources in the research and development of such product.

The success of new products depends on the effectiveness of the product design, quality of the raw materials and quality control systems. Any adverse change in the quality of products marketed and sold by us including due to reasons beyond our control caused by matters such as acts of God, strikes, civil commotion, riots, war, revolution, acts of governments, lack of adequate production capacity, failure or delay in plant start up, breakdown of machinery, etc., or allegations of defects, even when false, at any of our manufacturing facilities could tarnish the image of our brands, result in negative reviews and feedback from our customers. We plan to enhance and develop and strengthen relationships with existing customers who may drive volume orders on an ongoing basis, however there can be no assurance that we will be able to execute these strategies on time and within our estimated budget, or that our development plans for the particular will increase our profitability. Any of these factors could adversely impact our results of operations for our products.

26. We have entered into Del Credere Associate Operated Polymers Warehouse Agreement with Indian Oil Corporation Ltd. ("IOCL"). Termination or non-renewal of the Agreement or any material modification to the existing terms under such agreement adverse to our interest will materially and adversely affect our ability to continue our business and operations and our future financial performance

We have entered into agreement with IOCL dated December 17, 2020 effective from February 22, 2020 till February 22, 2023 whereby we have been appointed as Del Credere Associates for prompt payments to IOCL against sale of products by IOCL to its customers. Pursuant to the said arrangements, we have also been granted the right to market and sell to customers on behalf of IOCL with the objective inter alia, of receiving and storing the products. Pursuant to the agreement, we are entitled to receive commission on any such sales made through us, however in case of default on payment by such parties, IOCL has the right to recover the amount from us with interest for overdue period. As on June 30, 2022, total amount of Rs. 941.26 lakhs was outstanding to be received from such customers aggregating to 34.57% of the revenue from operation which was paid by us to IOCL on behalf of such customers (Rs. 695.35 lakhs was outstanding for less than 30 days, Rs. 159.11 lakhs was outstanding for 30 to 90 days and Rs. 86.81 lakhs was outstanding for more than 90 days). If we are unable to recover the amount in full or part from the ultimate customers as and when due, this could have a material adverse effect on our results of operations, cash flows and financial position.

Further, any suspension, restriction or termination of the agreement by IOCL could adversely affect our operating results and financial condition. In the event IOCL exercises their right to terminate the agreement whether on the occurrence of any event mentioned in the Agreement or otherwise, or, on expiry of the term of the agreement, or in the event that they are unwilling to renew the agreement or impose terms which are less favourable to us than existing terms, it may materially and adversely affect our business operations and our future financial performance.

27. We have not entered into any long term or definitive agreements with our customers. If our customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected

We have not entered into any long term or definitive agreements with our customers and instead rely on purchase orders to govern the volume, pricing and other terms of sales of our products. However, such orders may be amended or cancelled prior to finalization, and should such an amend mentor cancellation take place, we may be unable to seek compensation for any surplus unpurchased products that we manufacture. Our customers do not, typically, place firm purchase orders until a short time before the products are required from us as a result of which, we do not hold a significant order book at any time, making it difficult for us to forecast revenue, production or sales. Consequently,

there is no commitment on the part of the customer to continue to source their requirements from us, and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences.

Additionally, our customers have standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers' expectations could result in cancellation of orders. There are also a number of factors other than our performance that are beyond our control caused by matters such as acts of God, strikes, civil commotion, riots, war, revolution, acts of governments, lack of adequate production capacity, failure or delay in plant start up, breakdown of machinery, etc. and that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

28. Introduction of alternative packaging materials caused by changes in technology or consumer preferences may affect demand for our existing products which may adversely affect our financial results and business prospects.

Our products are used mainly by companies who require packaging materials for construction, agriculture, chemical, infrastructure industry etc. Our business is affected by change in technology, consumer preferences, market perception of brand, attractiveness, convenience, safety and environmental norms. Our ability to anticipate such changes and to continuously develop and introduce new and enhanced products successfully on a timely basis will be a key factor in our growth and business prospects. There can be no assurance that we will be able to keep pace with the technological advances that may be necessary for us to remain competitive. Further, any substantial change in preference of consumers who are end users of our products will affect our customers' businesses and, in turn, will affect the demand for our products. Any failure to forecast and/or meet the changing demands of packaging businesses and consumer preferences may have an adverse effect on our business, profitability and growth prospects.

29. There is an increased awareness towards controlling pollution and many economies including India have joined in the efforts to ban plastic product. In case any plastic packaging products manufactured by us are banned in India or in any of the markets where we export our products, it could have a material and adverse effect on our business and results of operations.

Plastic takes many years to decompose and is very dangerous for other living beings. Many countries around the world are finding alternatives to the use of plastic products. While none of the measures taken so far have directly impacted our business, our Company cannot assure that future measures will not have a negative impact on our business. If the Government of India legislates against the use of plastic products or if regulations for the manufacture and use of our packaging products are made more stringent, it could have a material and adverse effect on our business and results of operations.

30. The current and continuing impact of the COVID-19 pandemic on our business and operations, including its impact on the ability or desire of customers to purchase our products, may have an adverse effect on our business prospects and future financial performance.

The outbreak of the COVID-19 pandemic and its continuing impact, as well as government measures to reduce the spread of the COVID-19 pandemic, have had a substantial impact on our operations since the last week of March 2020. The impact of the pandemic on our business, operations and financial performance have included and may continue to include the following:

- Temporary shutdown of our manufacturing facility for a few weeks in March and April 2020. Regulatory restrictions relating to the pandemic interrupting our operations may also affect our ability to effectively manage our product inventory.
- Temporary closure of our offices and decline in the availability of workforce due to employees contracting the virus, rationalization of the workforce, and restrictions on travel and movement due to lockdowns imposed by various state governments, affecting commute of employees to their places of work. Any further decline, particularly as a result of prolonged restrictions due to the Omicron variant, any new variant or any subsequent waves in India, may also affect our ability to effectively manage our inventory of products. Further, stores located in containment zones, as demarcated by the regional authorities from time to time, may have further restrictions imposed on their operations.
- Disruptions to flow of material such as our ability to procure raw materials and finished products from third part manufacturers, reducing our ability to fulfil orders in a timely manner, disrupting the operation of our production facility and third-party manufacturing operations, affecting the ability of our delivery partners to make deliveries due to various restrictive measures imposed by governmental authorities.
- Compliance with evolving government regulations, including with respect to social distancing measures and sanitization practices. Although we are currently in compliance with such guidelines, any failure in the future to fully comply or adhere to the measures and guidelines or any other similar regulations could lead to the imposition of penalties, fines or other sanctions, which could have an adverse impact on our business.

In addition, if our Key Managerial Personnel or a significant percentage of our workforce is unable to work due to COVID-19 illness, quarantine, limitations on travel or other government restrictions in connection with the COVID-19 pandemic, our operations may be negatively impacted. An outbreak of the COVID-19 pandemic connected to one or more of our manufacturing facilities could also cause negative publicity directed at any of our distributors and cause customers to avoid our products, which could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and prospects. Also, see “Restated Financial Statements” page 173 of this RHP.

31. Our manufacturing facility is critical to our business operations and any shutdown of our manufacturing facility may have an adverse effect on our business, results of operations and financial condition.

Our manufacturing facility at Udaipur, Rajasthan is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence, labor, disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities, although we have not faced such issues in the past

In addition, our facility and operations require constant electricity and power supply. For the three month periods ended June 30, 2022, Fiscal 2022, Fiscals 2021 and 2020 for our electricity and power expenses were Rs. 85.48 lakhs, Rs. 313.88 lakhs, Rs. 292.13 lakhs and Rs. 321.94 lakhs respectively constituting 3.14%, 3.90%, 5.30% and 6.56% of our revenue from operations respectively. We source the electricity and power requirements for our manufacturing facility mainly from state electricity boards. The quantum and nature of electricity and power requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is high. To battle electricity failures, we also have DG sets of 320 KVA and 750 KVA to meet exigencies at our main facility, however, we cannot assure you that our facilities will be operational during power failures. Any disruption in the supply of electricity may disrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities which may involve additional time and increase our costs. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our profitability could decline. We source most of our electricity requirements for our manufacturing facilities from state electricity board. While we trust we have adequate stand-by power supply, this may not be adequate if the disruption in the supply of the power is for a longer period. Additionally, such standby power supply may not be sufficient to enable us to operate our facility at full capacity and any such disruption in the primary power supply available at our production facilities could materially and adversely affect our business, financial condition, results of operations and cash flows.

Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facility are also susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events, although we have not faced such instances in the past, there is no guarantee that they might not happen in the future It is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties.

If our Company experiences delays in production or shutdowns at our facility due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company’s operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations. Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business.

32. We are subject to quality requirements and any product defect issues or failure by us or our raw material suppliers to comply with quality standards may lead to the cancellation of existing and future orders, recalls and exposure to potential product liability claims.

We face an inherent business risk of exposure to product defects and subsequent liability claims if the use of any of our products results in personal injury or property damage. We may not be able to meet regulatory relevant quality standards in India, or the quality standards imposed by our customers and applicable to our manufacturing processes, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If any of our products do not meet regulatory standards or are defective, we may be, inter alia, (i) responsible for damages relating to any defective products, (ii) required to replace, recall or redesign such products or (iii) incur significant costs to defend any such claims.

The failure by us or any of our suppliers to achieve or maintain compliance with regulatory requirements or quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved or, until a new supplier has been identified and evaluated. The quality of raw materials will have an impact on the quality of the finished products and in turn affect our brand image, business and revenue. There is no assurance that our products will always meet the satisfaction of our customers’ quality standards. Although we have not faced any failure to comply

with applicable regulations in the past in the past, we cannot assure in future if our failure to comply with applicable regulations could cause adverse consequences to be imposed on us, including fines, injunctions, civil penalties, the refusal of regulatory authorities to grant approvals or renewal, delays, suspensions or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, all of which could harm our business. There can be no assurance that if we need to engage new suppliers to satisfy our business requirement, we will be able locate new suppliers in compliance with regulatory requirements in a timely manner, or at all. Failure to do so could lead to the cancellation of existing and future orders and have a material adverse effect on our business and revenue.

33. The industry in which we operate is labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

FIBC and packaging industry being labour intensive is dependent on labour force for carrying out its manufacturing operations and ancillary operation. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Though we have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized and we have in past not faced any instances of trouble from our labours, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

34. Our loan agreements with various lenders have several restrictive covenants and certain unconditional rights in favour of the lenders, which could influence our ability to expand, in turn affecting our business and results of operations.

(Rs in Lakhs)

| S. No | Loans Details | Years | | | |
|-----------|--|--------------|---------------|----------------|----------------|
| | | June 30,2022 | March 31,2022 | March 31, 2021 | March 31, 2020 |
| 1. | Short term Loans | | | | |
| | <u>SECURED :</u> | | | | |
| | Current maturity of long term debt (for security etc. refer note I,II,III) | 27.76 | 62.73 | 75.47 | - |
| | <i>Repayable on demand</i> | | | | |
| | <u>from banks :</u> | | | | |
| | UCO Bank (a) | - | 7.58 | - | - |
| | Cash Credit facilities from UCO Bank (b) | 507.73 | 681.98 | 690.54 | 592.12 |
| | IndusInd Bank Mumbai -OD (c) | - | 31.75 | - | - |
| | <u>UNSECURED :</u> <i>Repayable on demand</i> | | | | |
| | <u>from banks :</u> | | | | |
| | Deutsche Bank (d) | 163.46 | 158.52 | - | 226.21 |
| | ICICI Bank Ltd (e) | 298.50 | 270.33 | 251.81 | - |
| | Deutsche Bank -OD (f) | 93.93 | 94.70 | - | - |
| | Indusind bank -FCTL (EPC)(g) | - | 105.42 | - | - |

| | | | | | |
|-----------|--|----------------|----------------|----------------|----------------|
| | <u>Others:</u> | | | | |
| | Tata Capital Financial Services Limited (h) | 292.07 | 290.61 | 271.74 | 219.05 |
| | Loan related party from holding company(i) SAT Industries Limited | 790.18 | 780.00 | | |
| | Other than related party –DA techtrade Private limited | 990.43 | 425 | 0 | 0 |
| | Total | 3164.06 | 2908.62 | 1289.56 | 1037.38 |
| 2. | Long term Loans | | | | |
| | <u>SECURED :</u> | | | | |
| | (a) Term Loans: from banks : | | | | |
| | I UCO Bank : Covid-19 Emergency credit line (UCECL) | - | 3.59 | 51.14 | |
| | II Term Loan- UCO - Additional working capital term loan under guarantee emergency credit loan | 74.27 | 83.98 | 114.00 | - |
| | III Term Loan UCO Guaranteed emergency Credit Line (GECL) | 84.64 | 84.67 | - | - |
| | IV Term Loan | 19.73 | | - | - |
| | V Indusind Bank-FCTL (EPC) | - | 10.44 | - | - |
| | VI Indusind bank- ELCGS | - | 25.28 | - | - |
| | Total | 178.64 | 207.96 | 165.14 | NIL |

- I. Borrowings from UCO Bank is secured against equitable mortgage of land and building of the Parent Company situated at E-260-261, Mewar Industrial Area, Madri, Udaipur-313003 and by way of first charge on all current assets such as raw material , finished goods, work -in progress, stores and spares , book debts, and packing materials etc. The loan is repayable in 18 equal monthly instalments of Rs. 411750.00 each commencing from December 8th,2020 and the last instalment is repayable on May 07, 2022.Rate of interest as on 31.03.2022 is 7.30 % per annum. It is also secured by way of personal guarantee of Mr. Asad Daud, Managing Director of the Parent Company.
- II. Borrowings from UCO Bank is secured against equitable mortgage of land and building of the Parent Company situated at E-260-261, Mewar Industrial Area, Madri, Udaipur-313003 and by way of first charge on all current assets such as raw material , finished goods, work -in progress, stores and spares , book debts, and packing materials etc. The loan is repayable in 36 equal monthly instalments Rs. 354611.00 each commencing from June 14th, 2021 and the last instalment is repayable on June 14,2024 Rate of interest as on 31.03.2022 is 7.50 % per annum.It is also secured by way of personal guarantee of Mr. Asad Daud, Managing Director of the Parent Company.
- III. Borrowings from UCO Bank is secured against equitable mortgage of land and building of the Parent Company situated at E-260-261, Mewar Industrial Area, Madri, Udaipur-313003 and by way of first charge on all current assets such as raw material , finished goods, work -in progress, stores and spares , book debts, and packing materials etc. The loan is repayable in 36 equal monthly instalments Rs. 263376.35 each commencing from December 15th, 2023 and the last instalment is repayable on December 15,2026 Rate of interest as on 31.03.2022 is 7.50 % per annum.It is also secured by way of personal guarantee of Mr. Asad Daud, Managing Director of the Parent Company.
- IV. Borrowings from UCO Bank is secured against equitable mortgage of land and building of the Company situated at E-260-261, Mewar Industrial Area, Madri, Udaipur-313003 and Khasra No 1164, 1165 and 4922/1166, Village-Modi Udaipur Tehsil:Vallabhnagar District:Udaipur . It is also secured by way of first charge on all current assets such as raw material , finished goods, work -in progress, stores and spares , book debts, and packing materials etc. The loan is repayable in equal monthly instalments Rs. 16,66,666.66 lakhs each commencing from December 01,2022.and the last instalment is repayable on Novmber 1st,2027 Rate of interest as on 30.06.2022 is 8.45 % per annum.It is also secured by way of personal guarantee of Mr. Asad Daud, Managing Director of the Company.
- V. Borrowings from Indusind Bank is secured against first charge over all present and future, current assets and movable fixed assets of the Subsidiary Company situated at G-1 202-203,IID center RIICO, kaladwas , Udaipur-313003. The loan is repayable in 36 equal monthly instalments of Euro 1380.04 each commencing from December 27th,2019 and the last instalment is repayable on December 22, 2022.Rate of interest as on 31.03.2022 is 8.25 % per annum. It is also secured by personal guarantee of directors Mr.Murtaza Ali Moti and Mrs. Fatima Moti. Euro 12420.45 payable @ exchange rate of Rs. 84.062 as on March 31,2022 (Pr. yr. Euro 28980.93 @ exchange rate of Rs. 86.099)
- VI. Borrowings from Indusind Bank is secured against second charge over all present and future, current assets and movable fixed assets of the subsidiary Company situated at G-1 202-203,IID center RIICO, kaladwas , Udaipur-313003. The loan is repayable in 35 monthly instalments as per EMI schedule commencing from July 31st, 2021 and the last instalment is repayable on June 30, 2024.Rate of interest as on 31.03.2022 is 9.25 % per annum. It is also secured by personal guarantee of directors of subsidiary, Mr.Murtaza Ali Moti and Mrs. Fatima Moti.

*There is no continuing default in the payment of principal amount and interest

The credit facilities availed by our Company are secured by way of mortgage of fixed assets, hypothecation of current assets (both present and future), and personal guarantees given by our Corporate Promoter, Executive Directors.. In case we are not able to pay our dues in time, the same may amount to a default under the loan documentation and all the penal and termination provisions therein would get triggered and the loans granted to the Company may be recalled with penal interest. This could severely affect our operations and financial condition. In addition to the above, our loan documentation includes certain conditions and covenants that require us to obtain consents from the aforesaid banks prior to carrying out certain activities like entering into any amalgamation, demerger, merger and corporate reconstruction, changing our management and operating structure, making any fresh borrowings or creating fresh charges on assets, etc. Any failure to comply with any condition or covenant under our financing agreements that is not waived by the lending banks or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under the said credit facility, which may adversely affect our ability to conduct our business and operations or implement our business plans. Further, the said credit facilities can be renewed/enhanced/cancelled/suspended/reduced and the terms and conditions of the same can be altered by the lending banks, at their discretion. In the event, the lending banks refuse to renew / enhance the credit facilities and/or cancels / suspends / reduces the said credit facilities and/or alters the terms and conditions to the derogation of our Company, our existing operations as well as our future business prospects and financial condition may be severely affected.

35. We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.

We engage independent contractors through whom we engage contract labourers for performance of certain functions at our Manufacturing Facility for the performance of non-core tasks. Although we do not engage these labourers directly, we are responsible for any wage and statutory payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions. In addition, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

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

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and manufacture and trade inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, which could have an adverse impact on our income and cash flows. We estimate our sales based on the forecast, demand and requirements and also on the customer specifications. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts may adversely impact the supply of raw material and local transportation. Should our supply of raw materials be disrupted, we may not be able to procure an alternate source of supply in time to meet the demands of our customers. Such disruption to supply would materially and adversely affect our business, profitability and reputation. In the past we have not experienced any instances of disruptions to the delivery of product to our customer occurred for reasons such as poor handling, transportation bottlenecks, or labour strikes, which could have lead to delayed or lost deliveries or damaged products and disrupt supply of these products., but there is not guarantee that these instances will not happen in future to improve our line capability, we try to stock our inventory at our manufacturing facility. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively. If we over-stock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planning and actual consumer consumption could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation.

37. We depend on third parties for our suppliers, logistics and transportation needs. Any disruptions in the same may adversely affect our operations, business, cash flows 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 products from our suppliers and for transportation from our distribution centres to various stores. We have entered into agreements with third party transport service providers and depend on them for supply of goods. Although we have general insurance for transit of goods, and typically the transportation agreements have provision for damages, since the cost of our goods carried by third party transporters is typically much higher than the consideration paid for transportation, it may be difficult for us to recover damages for damaged, delayed or lost goods. Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs, transportation strikes and lock-outs, shortage of labour, delays and disruption of transportation services for events such as weather-related problems and accidents. Further, movement of goods

encounters additional risks such as accidents, pilferage, spoilage, shrinkage and our inability to claim insurance may adversely affect our operations, results of operations and financial condition. Although we have not experienced any material logistics and transport related disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may not be cost-effective, thereby adversely affecting our operations, results of operations, cash flows and financial condition.

We rely on third party suppliers for our business. We are exposed to the risk of these suppliers, third party manufacturers and service providers failing to adhere to the standards set for them by us and statutory and/ or regulatory bodies in respect of factors such as quality, quantum of production, weights and measures and safety standards and non-compliance of relevant rules and regulations, and any consequent action by such statutory and/ or regulatory bodies or otherwise, could adversely affect our business operations, results of operations, cash flows and financial condition, due to reasons such as shortage of supply, product liability claims and product recalls. Although we have not experienced such instances of liability claims and product recall in the past, there can be no assurance, This may not happen in future and it may also result in lost confidence on the part of our customers and adversely affect our reputation. Further, any delay or failure to deliver the products in a timely manner, would result in adverse effect on our business operations, results of operation, cash flows and financial condition. Any litigation involving such third parties may cause a material adverse effect on our reputation.

38. *Our Company's failure to maintain the quality standards of the products or keep pace with the technological developments could adversely impact our business, results of operations and financial condition.*

Our products depend on customer's expectations and choice or demand of the customer as we also produce the products as per particular customer's needs. Any failure to maintain the quality standards may affect our business. Although we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our customers' quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations. Also, rapid change in our customers' expectation on account of changes in technology or introduction of new products or for any other reason and failure on our part to meet their expectation could adversely affect our business, result of operations and financial condition. Our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and financial results.

39. *We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.*

We incur expenses in foreign currencies during the normal course of business for purchasing products from our global suppliers at mutually agreed prices. Further, on the export of our products we receive sale proceeds in foreign currency. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect our Company to the extent of cost of goods and sales in foreign currency terms. Although we generally hedge our foreign exposure, any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

40. *We export our products in 14 countries. Any change in law or any other adverse events affecting these countries could have a significant adverse impact on our export orders and consequently on our results from operations.*

We derive a portion of our revenue from operations from exports. For the three months ended June 30, 2022 and for Fiscals 2022, 2021 and 2020, our revenue from exports was Rs. 1558.22 lakhs, Rs. 4439.39 lakhs, Rs. 2752.39 lakhs, and Rs. 2491.88 lakhs contributed 57.61%, 55.14%, 49.98% and 50.75% of the revenue from operation respectively. Our Company exports to 14 countries such as Algeria, Togo, Ghana, Poland, Portugal, France, Italy, Dominican Republic, USA, Australia, UAE, Palestine, UK and Ireland. Consequently, any adverse changes in these economies such as slowdown in the economy, appreciation of the Indian Rupee vis-à-vis the currencies of these economies, acts of terrorism or hostility targeting these countries, change in the economic laws would directly impact our revenues and results from operations. In the event of change in policies or laws in these regions with respect to Environment, Health and Safety (EHS) norms, quality standards, branding or restrictions on usage of certain products/raw materials, our financial condition and business operations may be adversely affected. In case of any contingencies in future due to which we are unable to operate effectively in these markets, our results from operations, revenues and profitability may be adversely affected.

41. *The orders placed by customers may be delayed, modified or cancelled, which may have an adverse effect on our business, financial condition and results of operations. Further any defaults or delays in payment by a significant portion of our customers, may have an adverse effect on cash flows, results of operations and financial condition.*

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control caused by matters such as acts of God, strikes, civil commotion, riots, war, revolution, acts of governments, lack of adequate production capacity, failure or delay in plant start up, breakdown of

machinery, shortage of raw materials, etc. or the control of our customers may postpone the delivery of such products or cause its cancellation. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customers discretion or delay in procurement of raw material or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the customers may default or otherwise fail to pay amounts owed.

In the ordinary course of business, we extend credit to our customers. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of the outstanding amounts. Our trade receivables were Rs. 1540.05 lakhs, Rs. 1385.58, Rs. 969.23 lakhs and Rs. 900.01 lakhs as on June 30, 2022, March 31, 2022, March 31, 2021 and 2020 respectively aggregating to 56.57%, 17.21%, 17.60% and 18.33% of revenue from operation for June 30, 2022, March 31, 2021, March 31, 2020 and respectively. Out of the above trade receivables for the period ending on June 30, 2022, Rs. 1403.28 lakhs is due for a period for less than 6 months and ₹ 136.77 lakhs is due for a period of more than 6 months. Our trade receivables turnover days were 63 days, 64 days and 67 days for the Fiscals 2022, 2021, 2020 respectively. Our results of operations and profitability depend on the credit worthiness of our customers. Certain of these customers may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely fashion, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us.

42. Any increase in interest rates would have an adverse effect on our results of operations and will expose our Company to interest rate risks.

We are dependent upon the availability of equity, cash balances and debt financing to fund our operations and growth. Our secured debt has been availed at floating rates of interest. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations. For further details, please refer chapter titled “*Financial Indebtedness*” beginning on page 195 of this RHP.

43. We may be unable to comply with changes in environmental, health and safety, labour laws and other applicable regulations.

We are subject to various laws and regulations in relation to environmental protection, such as the Water Act, Air Act, as well as environmental laws and regulations, health and safety laws, and labour laws. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. For details on such regulations and policies applicable to our business, see “*Key Regulations and Policies*” on page 138 of this RHP.

Laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facility may release into the air, soil and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could increase contingent costs, require considerable attention from the management, and adversely affect our reputation in the event we were found liable. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers. Furthermore, in the event our manufacturing activities are shut down or suspended, we may continue to incur costs including those incurred to comply with regulations, appeal regulatory decisions, and compensate our workforce.

44. If we are not able to obtain, renew or maintain our statutory and regulatory licenses, registrations and approvals required to operate our business, it may have a material adverse effect on our business, results of operations and financial condition.

We require certain statutory and regulatory licenses, registrations and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Further, in the future, we may also be required to obtain new licenses, registrations and approvals for any proposed or upcoming projects, including any expansion of existing projects. There can be no assurance that the relevant authorities will renew such licenses, registrations and approvals in a timely manner or at all. Further, these licenses, registrations and approvals are subject to several conditions, and we cannot assure that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by us to renew, maintain or obtain the required

licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our operations and may have a material adverse effect on our business. For further details on the licenses obtained by us and licenses for which renewal and other applications have been made, please see the chapter titled "Government and Other Statutory Approvals" beginning on page 206 of this RHP.

45. *Compliance with, and changes in, safety, health and environmental laws and labour regulations may adversely affect our business, prospects, financial condition and results of operations.*

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labour, related laws and regulations. We are subject to environmental laws and regulations, including but not limited to:

1. Environment (Protection) Act, 1986
2. Air (Prevention and Control of Pollution) Act, 1981
3. Water (Prevention and Control of Pollution) Act, 1974
4. Other regulations promulgated by the Ministry of Environment and Forests and the Pollution Control Boards of the state of Rajasthan

which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business.

The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

46. *Pricing pressure from customers may affect our gross margins and ability to increase our prices, which in turn may adversely affect our revenue from operations, profits and cash flows.*

47. Consumer demand for our products depends in part on the pricing of our products. We differentiate certain of our products based on their economical pricing coupled with their quality. Our pricing depends on various factors, from time to time. We cannot assure you that we will be able to maintain our margins while offering discounts, or that our discounts will continue to attract consumer demand for our products. The pricing of our products is agreed between us and distributors, and changes to such prices require mutual agreement. The pricing is determined by our cost of products and other costs and other factors. Our cost of products may increase in the future due to various factors, including factors beyond our control caused by matters such as acts of God, strikes, civil commotion, riots, war, revolution, acts of governments, lack of adequate production capacity, failure or delay in plant start up, breakdown of machinery, inflation, etc.. We cannot assure that, in the future, we would be able to pass increased costs on to our customers. Any inability to do so may adversely affect our business and results of operation ***We are dependent on our key management team as well as our mid-to-senior personnel and our success depends in large part upon our Promoters. The loss of or our inability to attract or retain such persons could materially adversely affect our business performance.***

Our business and the implementation of our strategy is dependent upon our key management team, who oversee our day-to-day operations, strategy and growth of our business. There can be no assurance that we will be able to retain these personnel or find adequate replacements in a timely manner, or at all. We may not be able to hire and train replacement personnel immediately when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. Further, our competitors may offer compensation and remuneration packages beyond what we are offering to our key management team. If one or more members of our key management team are unable or unwilling to continue in their present positions, such persons would be difficult to replace in a timely and cost effective manner, and our business, prospects, results of operations and cash flows could be materially adversely affected.


The loss of key personnel or our inability to replace key personnel may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our business, results of operations,

48. *Our Registered Office and manufacturing facility, corporate office and processing unit are located on leased premises. If we are unable to renew these leases or relocate on commercially suitable terms, it may have a material adverse effect on our business, results of operation and financial condition*

Our manufacturing facility and registered Office situated at Udaipur, Rajasthan are located on premises leased from Rajasthan State Industrial Development & Investment Corporation Limited for the terms of ninety-nine years from November 12, 1979. Further the processing unit is taken on lease by us from third parties and for corporate office we have obtained NOC from promoter group of our corporate Promoter entity viz. A flex Invest Private Ltd. For details,

please refer chapter titled “Our Business” beginning on page 126 of this Red Herring Prospectus. Though we have entered into long-term lease agreements with respect to our facilities, such lease agreements may be terminated early in the event of a default or upon the expiry of their tenure and may not be renewed or if do not comply with certain conditions of the lease, which could have an adverse effect on our operations. We cannot further assure you that the lease agreement will be renewed at all or renewed on favourable terms. In the event of non-renewal of lease, we may be required to shift our existing facilities, to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one. This could have a material adverse impact on our business and operations.

49. We may be unable to protect our intellectual property or knowhow from third party infringement which could harm our brand and services.

We have registered our logo / trademark  under class 16 before the Registrar of Trademarks. is granted. We do not have any control over the registration of a trademark and a trademark may also be opposed by third parties that claim to have prior or superior rights. Such actions are not within our control and can severely impact business and may result in requirement to undertake rebranding exercises, all of which result in additional costs for us and could also impact our reputation. We routinely monitor third party trademarks, including domain names, by keeping a check on the use of our trademarks. However, it is possible that we are not aware of misuse of our trademarks and this could potentially cause loss of our reputation, which could impact our business and may even affect our goodwill. The use of a deceptively similar or identical third-party mark may result in a loss/injury to us. Such an action may also become a lengthy and costly exercise for us and may not always be in our favor.

50. Failure or disruption to our Information Technology and/or business resource planning systems may adversely affect our business, financial condition, results of operations, cash flows and prospects.

We have implemented various information technology (“IT”) and/or business resource planning systems to cover key areas of our operations. We are dependent on technology in relation to customer order management and dispatches, financial accounting and scheduling raw material purchase and shipments. We rely on our IT infrastructure to provide us with connectivity and data backup across our locations and functions. While the business resource planning systems that we have implemented have enabled us to improve our working capital cycles, despite an increase in our sales over the period, we can provide no assurance that we will be able to do so in the future.

We consider that we have deployed adequate IT disaster management systems including data backup and retrieval mechanisms, at our manufacturing facilities and registered office. Although in the past we have not experienced any instance of any IT disaster However, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyze work in progress and sales, process financial information, manage our creditors, debtors and hedging positions, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and cash flows.

51. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategies could have an adverse effect on our business, results of operations and financial condition. The success of our business will depend greatly on our ability to effectively implement our business and growth strategies.

Our growth strategies require us to develop and strengthen relationships with existing customers for our business who may drive high volume orders on an ongoing basis. To remain competitive, we seek to increase our business from existing customers and by adding new customers, as well as expanding into new geographical markets.

Our success in implementing our growth strategies may be affected by:

- our ability to maintain the quality of our products;
- our ability to increase our manufacturing capacities;
- our ability to increase our geographic international presence;
- the general condition of the global economy (particularly of India and the other markets that we currently or may operate in);
- our ability to compete effectively with existing and future competitors,
- changes in the Indian or international regulatory environment applicable to us.

Many of these factors are beyond our control for example caused by matters such as acts of God, strikes, civil commotion, riots, war, revolution, acts of governments, lack of adequate production capacity, failure or delay in plant start up, breakdown of machinery, shortage of raw materials, equipment, fuel, transportation, or containers, or any other cause whether similar or dissimilar to those enumerated that are reasonably beyond our control such as for example caused by matters such as acts of God, strikes, civil commotion, riots, war, revolution, acts of governments, lack of adequate production capacity, failure or delay in plant start up, breakdown of machinery, shortage of raw materials, equipment, fuel, transportation, or containers, or any other cause whether similar or dissimilar to those enumerated that are reasonably beyond our control and there is no assurance that we will succeed in implementing our strategies. While

we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could adversely impact our results of operations. We expect our growth strategies to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategies could have a material adverse effect on our business, financial condition and profitability.

52. Any inability to address changing industry standards and consumer trends may adversely affect our business, results of operations and financial condition.

The future success of our business will depend in part on our ability to respond to technological advances, consumer preferences and emerging industry standards and practices in a cost-effective and timely manner. The development and implementation of such new technology entails technical and business risks. We may have to incur substantial capital investment to upgrade our equipment and manufacturing facilities. While we continue to invest in various product development initiatives, adopt enhanced technologies and processes for the development of new products, we are subject to general risks associated with introduction and implementation of new products including the lack of market acceptance and delays in product development. There can be no assurance that we will be able to successfully develop new products or that such new products will receive market acceptance or adapt our manufacturing processes to incorporate new technologies or address changing consumer trends or emerging industry standards. Any rapid change in the expectations of our customers, in our business on account of changes in technology or introduction of new alternate products could adversely affect our business, results of operations and financial condition.

53. Our Promoter, director and member of the Promoter Group have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.

Our Corporate Promoter, executive director and associated concerns have provided personal guarantees in relation to certain loan facilities availed of by us. Mr. Asad Daud, Mr. Hakim Sadiq Ali Tidiwala has extended the personal guarantee in favour of ICICI Bank, and TATA Capital and HDFC Bank Mr Asad Daud has given a personal an guarantee in favour of UCO Bank In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. In the past there has been no nstances where personal guarantees given by the promoters were revoked or invoked. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition

54. Reliance has been placed on declarations and affidavits furnished by our Director for details of his profile included in this Red Herring Prospectus.

Our Whole-time Director Hakim Sadiq Ali Tidiwala is unable to trace copies of his school certificate or college certificate a pertaining to his educational qualifications . Accordingly, we have placed reliance on declarations, undertakings and affidavits furnished by the Director to disclose details of his educational qualification in this RHP and we have not been able to corroborate these details in the absence of primary documentary evidence. We cannot assure you that all or any of the information relating to the educational qualifications of the Director included in “Our Management” on page 154 of this Red Herring Prospectus are complete, true and accurate.

55. Our insurance may not be adequate to cover all risks, specifically risks like product defect/liability risk, loss of profits and loss due to terrorism. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.

Our operations are subject to various risks and hazards inherent in the FIBC and packaging industry, including breakdowns, failure or substandard performance of equipment, third party liability claims, labor disturbances, employee fraud and infrastructure failure, as well as fire, theft, robbery, earthquake, liability accruing from the public offering of securities, flood, acts of terrorism and other force majeure events. Our operations are subject to various risks inherent in the Packaging Industry.

| Sr no | Policy Number | Period of Insurance | | Item Insured | Sum Insured | Premium |
|-------|----------------------|---------------------|------------|----------------------------|----------------|-------------|
| | | From | To | | | |
| 1 | 2905001221P113358049 | 23-03-2022 | 22-03-2023 | Stock of RM & FG & Semi FG | 125,00,000.00 | 8,850.00 |
| 2 | 2905001121P113357879 | 24-03-2022 | 23-03-2023 | Contents | 2725,00,000.00 | 4,32,157.00 |
| | | | | Building | 400,00,000.00 | |
| 3 | 2905001221P113357191 | 28-03-2022 | 27-03-2023 | Cash box | 58,00,000.00 | 3,621.00 |
| 4 | 2905001121P113356533 | 23-03-2022 | 22-03-2023 | Stock of all description | 125,00,000.00 | 17,280.00 |

| | | | | | | |
|---|-------------------------|------------|------------|---|----------------|-----------|
| 5 | 2002/E/248137894/00/000 | 21-05-2022 | 21-05-2023 | Marine Cargo | 500,00,000.00 | 35,000.98 |
| 6 | 2001/256821516/00/000 | 05-09-2022 | 05-09-2023 | Raw material of plastic, semi finished, finished Goods, granules, HDPE/PP, WOVEN sacks fabric, Yarn similar trade goods product of all kinds Pertaining to insured manufacturing activity | 2000,00,000.00 | 47,201.00 |

As per our management's assessment, 100% of the assets have insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits, losses due to terrorism, etc. Insurance coverage has not been obtained for all the premises of the Company. We do not have any additional exclusions or limitations attached to our insurance policies. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. If our arrangements for insurance are not adequate to cover claims, we may be required to make substantial payments and our results of operations, financial condition and cash flows may therefore be adversely affected. We may not have identified every risk, and further may not be insured against every risk, including operational risks that may occur, and the occurrence of an event that causes losses more than the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate. Any of the above could materially harm our financial condition and future results of operations and cash flows. There can be no assurance that any claims filed will be honored fully or in a timely fashion under our insurance policies. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

56. Industry information included in this RHP has been derived from industry reports and annual reports of various listed players of our industry. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

We have relied on the reports of certain independent third party and annual reports of various listed players of our industry for purposes of inclusion of such information in this RHP. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. Although the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, . Due to possibly flawed or ineffective 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 for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this RHP.

57. 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. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. 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, see "Dividend Policy" on page 172 of this Red Herring Prospectus.

58. Certain of our Directors hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.

Our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding as nominee shareholder on behalf of our holding company or the shareholding of their relatives in our Company. There can be no assurance that our directors will exercise their rights as Shareholders to the benefit and best interest of our Company. For further details, see "Related Party Transactions" under section titled "Financial Statements" and "Our Management" on pages F27 under note 37 and 154 respectively.

59. We are required to obtain and maintain certain regulatory approvals in respect of our operations. Failure to obtain or maintain licenses, registrations, consents, permits and approvals may adversely affect our business and results of operations.

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals, consents and permits at the local, state and central government levels for undertaking our business. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business.

Our Company is proposing to set up fully integrated manufacturing facilities and required to obtain various licenses in a phase wise manner depending upon the stage of the set up. For details, please refer to the section titled "*Objects of the Issue*" on page 90 of this letter of Offer.

We cannot assure you that we will be able to timely apply for, whether fresh or renewal, all approvals, consents, permits, registrations and clearances required for undertaking our business from time to time. There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, could result in cost and time overrun, imposition of penalties, or result in the interruption of our operations, which could adversely affect our related operations.

Furthermore, we cannot assure you that the approvals, licenses, registrations, consents and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action, and we may be subject to penalty and other statutory and regulatory actions, which may and may have a material adverse effect on our business and operations, financial condition, cash flows and results of operations. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may adversely affect our business and results of operations.

60. We are dependent on machinery for our operations and any disruption to the same may cause interruption in business.

Our manufacturing facility is dependent on plant and machinery . They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Any significant malfunction or breakdown of our machineries may entail significant repair and maintenance costs and cause delays in our operations. While our Company has not entered into any technical support service agreements for our machineries which are repaired, our Company has its own in-house maintenance team to service/ repair the machinery. Any failure to quickly redress any technical issue may increase our downtime which may affect our business, results of operations and financial condition. Two of our Machineries viz. Comp. Loom (K.Nital) & Printing Machine² colour which were purchased on July 23, 1998, are nearing the end of life cycle of 25 years, however, if needed or required the same shall be replaced with internal accruals. Further, while 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 repair the malfunctioning machinery promptly, our manufacturing operations may be hampered, which could have an adverse impact on our business, results of operations and financial condition.

61. There may be changes in the estimated project cost.

Currently, we have placed order for plant and machineries and miscellaneous fixed assets amounting to Rs. 1059.38 lakhs and we are yet to place orders worth Rs. 631.18 lakhs which constitutes 62.66% of the total estimated cost in relation to the purchase of plant machinery and miscellaneous fixed assets. We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as changes in our financial condition, business or strategy, change in quotation for machinery, revision in purchase orders as well as external factors which may not be in our control and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management.

62. We may be unable to enforce our rights under some of our agreements with counterparties on account of insufficient stamping and non-registration or other reasons.

63. We enter into agreements with third parties, in relation to ordinary course of business lease/ licensee of our branch offices and warehouses. Some of the agreements executed by us may be inadequately stamped or not registered or may not otherwise be enforceable. Inadequately stamped documents may be impounded by the appropriate authority. Such inadequately stamped or not registered documents may not be admissible in evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, which could, therefore, impact our ability to enforce our rights under the agreements in a timely manner or at all. We cannot assure you that we would be able to enforce our rights under such agreements. This could impair our business operations and adversely affect our cash flows, results of operation and financial condition.***Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

Our Company intends to use Net Proceeds raised pursuant to the Fresh Issue in the manner set out in the section titled "*Objects of the Issue*" on page 90. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds as disclosed in this Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that

require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

64. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.*

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

65. *An inability to renew quality accreditations in a timely manner or at all, or any deficiencies in the quality of our products may adversely affect our business prospects and financial performance.*

We obtain and maintain quality certifications and accreditations from independent certification entities and also comply with prescribed specifications and standards of quality approved by the Government in connection with the products we manufacture. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, in a timely manner or at all, our business prospects and financial performance will be materially and adversely affected.

66. *Within the parameters as mentioned in the chapter titled 'Objects of the Issue', our Company's management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.*

We intend to use the Net Proceeds for the purposes described in "Objects of the Issue" beginning on page 90 of this RHP. Our funding requirements are based on management estimates and our current business plans and has not been appraised by any bank or financial institution. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as the continuing impact of the COVID-19 pandemic, interest or exchange rate fluctuations, increase in input costs, labour costs, logistics and transport costs, taxes and duties, regulatory costs, environmental factors and other external factors. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of the Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

Further the deployment of the Net Proceeds will be at the discretion of our Board. Accordingly, within the parameters as mentioned in the chapter titled 'Objects of the Issue' beginning on page 90 of this Red herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. Further in accordance with section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without our Company being authorised to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholder shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

67. *The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.*

Since the Issue size is less than Rs.10,000 lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

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

After completion of the Issue, our Promoters and Promoter Group will collectively own [●]% of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority

shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

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

69. 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 cause serious harm to our reputation. Although we have not had this kind of instances in the past, there can be no assurance that we will be able to detect or deter such misconduct future. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents 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.

ISSUE SPECIFIC RISKS

71. The average cost of acquisition of Equity Shares by our Promoters could be lower than the floor price.

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the BRLM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and built-up of Equity Shares by our Promoters in our Company, please refer to the chapter titled "Capital Structure" on page 78 of this Red Herring Prospectus.

72. Our Equity Shares have never been publicly traded, and may experience price and volume fluctuations following the completion of the Issue. Further, our Equity Shares may not result in an active or liquid market and 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 the Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, does not guarantee the liquidity of such market for the Equity Shares. Investors might not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares. The Issue Price of the Equity Shares has been determined by our Company in consultation with the BRLM through the Book Building Process. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

73. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized in excess of Rs. 1,00,000/- on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India at the specified rates in case STT was paid on the sale transaction. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("STT"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

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

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

Under the Companies Act, 2013 a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their 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 the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

75. *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 a shareholder of an entity in another jurisdiction.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, cash flows, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

77. *There is no guarantee that our Equity Shares will be listed 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 of SEBI, our Equity Shares are required to be listed on stock exchanges 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.

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

We are not a listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and limited reviewed half yearly 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 as promptly as other listed companies.

Further, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, 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 and results of operations. 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.

79. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by us may dilute your shareholding and any sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.*

We may be required to finance our growth, whether organic or inorganic, through future equity issues. Any future equity issuances by us, including a primary Issue, may lead to the dilution of investors' shareholdings in us. Any future issuances of Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options, if any, issued by us in future sales of the Equity Shares by any of our major shareholders or the disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India

may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through issuance of the Equity Shares or incurring additional debt.

There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares. There can also be no assurance that any substantial shareholder, including our Promoter will not dispose of, encumber, or pledge their Shares or related securities which may also adversely affect the trading price of the Equity Shares.

EXTERNAL RISK FACTORS

1. *Political, economic or other factors that are beyond our control* caused by matters such as acts of God, strikes, civil commotion, riots, war, revolution, acts of governments etc. ***have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions, where some of our revenue from operations is generated. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic and regional economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

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

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control caused by matters such as acts of God, strikes, civil commotion, riots, war, revolution, acts of governments, lack of adequate production capacity, failure or delay in plant start up, breakdown of machinery, shortage of raw materials, equipment, fuel, transportation, or containers, or any other cause whether similar or dissimilar to those enumerated that are reasonably beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or states to whom we sell our products could have a negative effect on us. Further, the ongoing Russia-Ukraine conflict may also have adverse impact on our supply chain. However, the long term risks associated with the conflict is not clear as of the date of this Red Herring Prospectus. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

3. *Changing regulations in India could lead to new compliance requirements that are uncertain.*

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect our industry, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to

uncertainty in our operations and could adversely affect our operations. Any adverse regulatory change in this regard could lead to fluctuation of prices of raw materials and thereby increase our operational cost.

Additionally, our loans are subject to specific conditions imposed by the Ministry of Commerce and Industry, GoI and the RBI. In the event of any adverse regulatory development or in the event that we are otherwise not able to secure such loans, we may not be able to benefit from such low interest rates or the ability to fix the price within the specified time frame at the same price at which we sell our products to our customers.

The Taxation Laws (Amendment) Act, 2019, also prescribes certain changes to the income tax rate applicable to companies in India. Further, as GST is implemented, there can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. With the implementation of GST, we are obligated to pass on any benefits accruing to us as result of the transition to GST to the consumer thereby limiting our benefits. In order for us to utilise input credit under GST, the entire value chain has to be GST compliant, including us. While we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our suppliers and dealers will do so. Any such failure may result in increased cost on account of non-compliance with the GST and may adversely affect our business and results of operations.

The Government of India has announced the union budget for the Fiscal 2022, pursuant to which the Finance Bill, 2021 (“Finance Bill”) has introduced various amendments. The Finance Bill has received assent from the President of India on March 28, 2021, and has been enacted as the Finance Act, 2021 (“Finance Act, 2021”). There is no certainty on the impact that the Finance Act 2021 may have on our business and operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

The Government of India has passed new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020, the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, respectively which were to take effect from April 1, 2021 (collectively, the “Labour Codes”). The Government of India has deferred the effective date of the Labour Codes and they shall come into force from such date as may be notified by the Government. Further, the Code on Social Security, 2020 (“Social Security Code”) will impact overall employee expenses and, in turn, could impact the profitability of our Company. Under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government), of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees’ provident fund. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

4. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any further adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India’s credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

5. Political changes could adversely affect economic conditions in India.

Our Company is incorporated in India and derives the majority of its revenue from operations in India and the majority of its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

6. *If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages, costs of rent and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, There can be no assurance that Indian inflation levels will not worsen in the future.

7. *A third-party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian Law*

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or 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 subsequent to completion of the Issue. 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 our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

8. *Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the BRLM or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.*

Our Company is a company incorporated under the laws of India and a majority of our Directors are located in India. A majority of our assets, our Key Managerial Personnel and officers are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (“CPC”). India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

Our ability to raise foreign capital may be constrained by Indian law which provides investment restrictions on foreign investors, which may adversely affect the trading price of the Equity Shares. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI’s prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, or at all. In terms of the FEMA Non-debt Instruments Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

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 GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made similar amendment to the FEMA Rules. While the term “beneficial owner” is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term “beneficial owner”. The interpretation of “beneficial owner” and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

SECTION III - INTRODUCTION

THE ISSUE

The following table summarizes details of the Issue:

| Particulars | Details of Equity Shares |
|--|--|
| Issue of Equity Shares by Our Company ⁽¹⁾ | Issue of upto 1,02,00,000* Equity Shares of face value of Rs.10/- each fully paid up for cash at a price of Rs. [●]/- per Equity share aggregating Rs. [●] lakhs |
| Of Which | |
| QIB Portion ^{(2) (3)(4)} | Not less than [●]* Equity Shares aggregating up to Rs.[●] lakhs |
| Of Which | |
| (i) Anchor Investor Portion | Up to [●] Equity Shares |
| (ii) Net QIB Portion available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) | [●] Equity Shares |
| Of Which | |
| Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | [●] Equity Shares |
| Balance for all QIBs including Mutual Funds | [●] Equity Shares |
| Non-Institutional Portion ^{(2) (5)} | Not more than [●]* Equity Shares aggregating up to Rs.[●] lakhs |
| Retail Portion ^{(2) (3)(4)(5)} | Not more than [●]* Equity Shares aggregating up to Rs.[●] lakhs |
| Pre and Post Issue Equity Shares | |
| Equity Shares outstanding prior to the Issue | 1,55,96,000 Equity Shares of face value of Rs. 10/- each. |
| Equity Shares outstanding after the Issue | Up to [●] Equity Shares of face value of Rs. 10/- each. |
| Utilization of proceeds of this Issue | For details please refer chapter titled “ <i>Objects of the Issue</i> ” on page 90 of this Red Herring Prospectus for information on use of Issue Proceeds. |

*Subject to finalization of the Basis of Allotment.

Notes:

The Issue has been authorized by a resolution of our Board dated April 07, 2022 and has been authorized by a special resolution of our Shareholders, dated April 13, 2022

Our Company may, in consultation with the BRLM allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB portion will accordingly be reduced from the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Any unsubscribed portion in the Mutual Funds portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see “Issue Procedure” on page 232 of this Red Herring Prospectus.

Subject to valid Bids being received at or above the Issue Price, in the event of aggregate demand in the QIB category has been met, under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to applicable law.

Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Issue, Equity Shares shall be allocated in the manner specified in “Terms of the Issue” on page 222 of this Red Herring Prospectus. In case 75% of the net issue is not subscribed by the QIBs, the entire issue would be refunded.

Allocation to Bidders in all categories, except Anchor Investors, if any and Retail Individual Investors, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the

remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details see “Issue Procedure” on Page 232 of this Red Herring Prospectus. For details, including in relation to grounds for rejection of Bids, refer to “*Issue Structure*” and “*Issue Procedure*” on pages 228 and 232 of this Red Herring Prospectus., respectively. For details of the terms of the Issue, see “*Terms of the Issue*” on page 222 of this Red Herring Prospectus.

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SUMMARY OF RESTATED STANDALONE AND CONSOLIDATED FINANCIAL INFORMATIONS

The following tables set forth the summary financial information of our Company derived from our Restated Standalone and Consolidated Financial Informations. The summary financial information presented below has been prepared in accordance with Ind AS for three month period ended on June 30, 2022 and Fiscals 2022, 2021 and 2020 and restated in accordance with the SEBI ICDR Regulations. The summary financial information presented below should be read in conjunction with the Restated Standalone and Consolidated Financial Informations the notes thereto and the sections “Restated Standalone and Consolidated Financial Informations” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 173 and 177 respectively of the Red Herring Prospectus

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RESTATED STATEMENT OF ASSETS AND LIABILITIES

All Amount in Rs Lakhs, Unless otherwise stated

| Particulars | 30.06.2022 | | 31.03.2022 | | 31.03.2021 | | 31.03.2020 | |
|---|--------------|-----------------|--------------|-----------------|------------|-----------------|------------|-----------------|
| | Consolidated | | Consolidated | | Standalone | | Standalone | |
| ASSETS | | | | | | | | |
| Non-current assets | | | | | | | | |
| (a) Property, Plant and Equipment | | 1,561.62 | | 1,557.70 | | 1,420.96 | | 1,271.86 |
| (b) Capital work -in- Progress | | 925.49 | | 668.44 | | 1.75 | | |
| (c) Investment Property | | - | | - | | - | | |
| (d) Goodwill | | 307.81 | | 307.81 | | - | | 0 |
| (e) Other Intangible Assets | | 1.45 | | 1.76 | | 3.53 | | 2.09 |
| (f) Intangible assets under development | | | | | | | | |
| (g) Biological Assets other than bearer plants | | | | | | | | |
| (h) Financial Assets | | | | | | | | |
| (i) Investments | | - | | - | | - | | |
| (ii) Trade receivables | | - | | - | | - | | |
| (iii) Loans | | - | | - | | - | | |
| (iv) Others | 66.36 | 66.36 | 66.88 | 66.88 | 56.63 | 56.63 | 52.82 | 52.82 |
| (i) Deferred tax assets (net) | | - | | - | | - | | |
| (j) Other non-current assets | | 208.65 | | 147.82 | | 1.57 | | 9.10 |
| Current assets | | | | | | | | |
| (a) Inventories | | 1,604.74 | | 1,559.34 | | 571.56 | | 560.76 |
| (b) Financial Assets | | | | | | | | |
| (i) Investments | | | | | | | | |
| (ii) Trade receivables | 1,540.05 | | 1,385.58 | | 969.23 | | 900.01 | |
| (iii) Cash and cash equivalents | 90.81 | | 189.78 | | 194.30 | | 104.32 | |
| (iv) Bank balances other than (iii) above | 59.54 | | 59.22 | | 50.63 | | 65.63 | |
| (v) Loans | 941.26 | | 697.49 | | 685.14 | | 82.00 | |
| (vi) Others | - | 2,631.66 | - | 2,332.07 | - | 1,899.30 | | 1,151.96 |
| (c) Current Tax Assets (Net) | | 3.71 | | 3.41 | | 1.79 | | - |
| (d) Other current assets | | 223.71 | | 221.50 | | 100.76 | | 544.54 |
| Total Assets | | 7,535.20 | | 6,866.73 | | 4,057.85 | | 3,593.13 |
| EQUITY | | | | | | | | |
| (a) Equity Share Capital | 1,559.60 | | 1,559.60 | | 1,559.60 | | 1,559.60 | |
| (b) Other Equity | | | | | 449.15 | | 321.87 | |
| Equity attributable to the owner of the parent | 939.25 | | 845.05 | | | | | |
| Non- controlling Interest | 275.61 | 2,774.46 | 260.16 | 2,664.81 | | 2,008.75 | | 1,881.47 |
| LIABILITIES | | | | | | | | |
| Non-current liabilities | | | | | | | | |
| (a) Financial Liabilities | | | | | | | | |
| (i) Borrowings | 150.88 | | 145.23 | | 89.67 | | - | |
| (ia) Lease liabilities | | | | | | | | |
| (ii) Trade payables | - | | - | | - | | - | |
| (iii) Other financial liabilities(other than those specified in item (b)) | - | 150.88 | - | 145.23 | - | 89.67 | - | - |
| (b) Provisions | | - | | - | | - | | |
| (c) Deferred tax liabilities (Net) | | 148.80 | | 143.13 | | 142.67 | | 134.76 |
| (d) Other non-current liabilities | | - | | - | | - | | |
| Current liabilities | | | | | | | | |
| (a) Financial Liabilities | | | | | | | | |
| (i) Borrowings | 3,146.06 | | 2,908.62 | | 1,289.56 | | 1,037.38 | |
| (ia) Lease liabilities | | | | | | | | |
| (ii) Trade payables : | | | | | | | | |
| (A)Total outstanding dues of micro enterprises and small enterprises | | | | | | | | |
| (B)Total outstanding dues of creditors other than micro enterprises and small enterprises | 960.24 | | 785.40 | | 340.97 | | 448.17 | |
| (iii) Other financial liabilities(other than those specified in item(c)) | - | 4,124.30 | - | 3,694.02 | - | 1,630.53 | - | 1,485.55 |
| (d) Other current liabilities | | 193.75 | | 123.21 | | 164.25 | | 85.56 |
| (c) Provisions | | 7.16 | | - | | 4.32 | | 5.35 |
| (d) Current Tax Liabilities (Net) | | 135.85 | | 96.33 | | 17.66 | | 0.44 |
| Total Equity and Liabilities | | 7,535.20 | | 6,866.73 | | 4,057.85 | | 3,593.13 |

RESTATED STATEMENT OF PROFIT AND LOSS

All Amount in Rs Lakhs, Unless otherwise stated

| Particulars | 30.06.2022 | 31.03.2022 | 31.03.2021 | 31.03.2020 | |
|-------------|---|------------------|------------------|------------------|----------|
| | Consolidated | Consolidated | Standalone | Standalone | |
| | Amount in Rupees | Amount in Rupees | Amount in Rupees | Amount in Rupees | |
| I | Revenue from operations | 2,722.31 | 8,051.14 | 5,506.99 | 4,910.07 |
| II | Other income | 36.68 | 72.31 | 27.43 | 80.89 |
| III | Total Income (I+II) | 2,758.99 | 8,123.45 | 5,534.42 | 4,990.96 |
| IV. | Expenses : | | | | |
| | Cost of Materials consumed | 1,560.31 | 4,731.56 | 3,120.50 | 3,153.63 |
| | Purchases of Stock-in-Trade | 315.08 | 1,232.15 | 674.56 | 183.70 |
| | Changes in inventories of finished goods | 53.92 | (331.24) | 56.42 | 5.05 |
| | work-in-progress and Stock -in-Trade | | | | |
| | Employee benefits expense | 166.07 | 315.32 | 223.75 | 215.86 |
| | Finance costs | 35.65 | 123.50 | 86.94 | 133.36 |
| | Depreciation and amortization expense | 28.35 | 100.65 | 80.56 | 76.50 |
| | Other expenses | 427.57 | 1,402.26 | 1,129.48 | 1,171.41 |
| | Total expenses | 2,586.95 | 7,574.20 | 5,372.21 | 4,939.51 |
| V. | Profit before exceptional items and tax(III-IV) | 172.04 | 549.25 | 162.21 | 51.45 |
| VI. | Exceptional items | - | - | - | - |
| VII | Profit/(loss) before tax (V-VI) | 172.04 | 549.25 | 162.21 | 51.45 |
| VIII | Tax expense : | | | | |
| | (1) Current tax | 41.24 | 108.90 | 27.07 | 8.18 |
| | (2) Deferred tax | 5.67 | 2.81 | 7.91 | 13.59 |
| IX | Profit/(loss)for the period from continuing operation (VII-VIII) | 125.13 | 437.54 | 127.23 | 29.68 |
| X | Profit/(Loss) from discontinued operations. | - | - | - | - |
| XI | Tax expense of discontinued operations | - | - | - | - |
| XII | Profit/(loss) from discontinued operation (X-XI) | - | - | - | - |
| XIII | Profit/(loss) for the period (IX+XII)\ | 125.13 | 437.54 | 127.23 | 29.68 |
| XIV | Other Comprehensive Income | | | | |
| | A(i) Item that will not be reclassified to profit or loss | - | - | - | - |
| | (ii) Income tax relating to item that will not be reclassified to profit or loss | - | - | - | - |
| | B(i) Item that will be reclassified to profit or loss | - | - | - | - |
| XV | (ii) Income tax relating to item that will be reclassified to profit or loss | - | - | - | - |
| XVI | Total Comprehensive Income for the period (XIII+XIV) (Comprising profit (loss) and other Comprehensive Income for the period) | 125.13 | 437.54 | 127.23 | 29.68 |
| | Attributable to | 109.68 | 420.33 | - | - |
| | a) Owners of the parent | | | | |
| | (b) Non-controlling interests | 15.45 | 17.21 | - | - |
| | Of the total comprehensive income above, | | | - | - |
| | Profit for the year attributable to : | | | - | - |
| | Owners of the parent | 109.68 | 420.33 | - | - |
| | Non-controlling interests | 15.45 | 17.21 | - | - |
| | Of the total comprehensive income above, | | | - | - |
| | Other comprehensive income attributable to: | | | - | - |
| | Owners of the parent | - | - | - | - |
| | Non-controlling interests | - | - | - | - |
| XVII | Earnings per equity share:(for continued Operation): | | | | |
| | (1) Basic | 0.80 | 2.81 | 0.82 | 0.19 |
| | (2) Diluted | 0.80 | 2.81 | 0.82 | 0.19 |
| XVII | Earnings per equity share:(for discontinued Operation): | | | | |
| | (1) Basic | - | - | - | - |
| | (2) Diluted | - | - | - | - |
| XVII I | Earnings per equity share:(for discontinued & continuing operations) | | | | |
| | (1) Basic | 0.80 | 2.81 | 0.82 | 0.19 |
| | (2) Diluted | 0.80 | 2.81 | 0.82 | 0.19 |

RESTATED CONSOLIDATED CASH FLOW STATEMENT

All Amount in Rs Lakhs, Unless otherwise stated

| Sr. No. | Particulars | Period ended | Year ended | Year ended | Year ended |
|----------|---|-----------------|-------------------|-----------------|-----------------|
| | | 30.06.2022 | 31.03.2022 | 31.03.2021 | 31.03.2020 |
| | | Consolidated | Consolidated | Standalone | Standalone |
| A | Cash Flow from Operating Activities | | | | |
| | Net Profit before tax | 172.04 | 549.25 | 162.21 | 51.45 |
| | Adjustments for: | | | | |
| | Depreciation | 28.35 | 100.65 | 80.56 | 76.50 |
| | Interest Paid | 35.65 | 121.35 | 82.25 | 133.36 |
| | Interest received | (1.02) | (2.86) | (3.31) | (4.23) |
| | (Profit)/Loss on sale of property, plant and equipment | - | (0.09) | 3.52 | - |
| | Provisions of gratuity, leave encashment etc. | 7.16 | - | - | 0.79 |
| | Operating Profit before working capital changes | 242.18 | 768.30 | 325.23 | 257.87 |
| | Adjustment for Changes in Working Capital: | | | | |
| | Decrease/(Increase) in Trade Receivables | (154.47) | (80.15) | (69.22) | (25.91) |
| | Increase/(decrease) in financial liabilities | - | - | - | (62.50) |
| | Increase/(decrease) in other current liabilities and provision | 70.54 | (64.10) | 77.66 | 27.41 |
| | Increase in financial liabilities | - | - | 75.47 | - |
| | Increase in Loan | (243.77) | (7.49) | (142.29) | (542.85) |
| | Other bank Balances | (0.32) | (8.59) | 15.00 | - |
| | Increase/(Decrease) in Trade Payables | 174.84 | (64.50) | (107.14) | 51.06 |
| | Increase in other non current assets | (60.83) | (131.89) | 7.53 | (3.19) |
| | Non Current Financial assets | 0.52 | (9.97) | (3.81) | (32.29) |
| | Increase in other current assets | (2.21) | (8.10) | (17.07) | 563.22 |
| | Increase in tax assets | (0.30) | (0.05) | (1.79) | 25.29 |
| | Decrease/(Increase) in Stock | (45.40) | (442.43) | (10.80) | 18.09 |
| | Cash Generated from Operations | (19.22) | (48.99) | 148.77 | 276.20 |
| | Income Taxes Refund / (Paid) | 1.72 | 30.23 | 9.85 | 17.10 |
| | Net Cash Inflow /(Out Flow) from Operation (A) | (20.94) | (79.22) | 138.92 | 259.10 |
| B | Cash Flow from Investing Activities: | | | | |
| | Sale of fixed assets | - | 2.45 | 0.60 | - |
| | Purchase of fixed assets | (31.96) | (110.18) | (235.22) | (87.30) |
| | Capital Work -in- Progress | (257.05) | (666.69) | (1.75) | - |
| | Adjustment on consolidation of subsidiary | - | (307.81) | - | - |
| | Interest received | 1.02 | 2.86 | 3.31 | 4.23 |
| | Net Cash Inflow/(Outflow) from investing Activities (B) | (287.99) | (1,079.37) | (233.06) | (83.07) |
| C | Cash flow from Financing Activities | | | | |
| | Repayment of borrowings | (29.32) | (138.30) | 89.67 | (32.96) |
| | Increase in borrowing | 503.99 | 1,395.20 | 78.29 | - |
| | Capital issue expenses | (15.48) | (24.43) | - | - |
| | Interest Paid | (35.65) | (121.35) | (82.25) | (133.36) |
| | Net Cash Inflow/(Out Flow) from Financing Activities (C) | 423.54 | 1,111.12 | 85.71 | (166.32) |
| | Net Increase/Decrease in cash & Cash equivalents (A+B+C) | 114.61 | (47.47) | (8.43) | 9.71 |
| | CASH AND CASH EQUIVALENTS | | | | |
| | As at the beginning of the year (Refer Note 8) | 189.78 | 253.69 | 104.31 | 98.30 |
| | Cash and cash equivalent of amalgamating Company | | | | 54.11 |
| | Less : Cash Credit | 721.31 | 737.75 | 592.12 | 649.92 |
| | As at the end of the year (Refer Note 8) | 90.81 | 189.78 | 194.30 | 104.32 |
| | Less : Cash Credit | 507.73 | 721.31 | 690.54 | 592.12 |
| | Net Increase/Decrease in cash & Cash equivalents | (114.61) | 47.47 | 8.43 | (9.71) |

GENERAL INFORMATION

REGISTERED OFFICE OF OUR COMPANY

Sah Polymers Limited

E-260-261, Mewar, Industrial Area, Madri

Udaipur (Raj.)-313003

Tel: +91 294 2493889

Email: info@sahpolymers.com

Website: www.sahpolymers.com

For details relating to changes in our registered office, see the section titled "History and Certain Corporate Matters- "Changes in Registered Office" on page 147 of this RHP

Company Registration Number and Corporate Identity Number

Registration Number: 006657

CIN: U24201RJ1992PLC006657

CORPORATE OFFICE

Sah Polymers Limited

121, B-Wing, Mittal Tower,

Nariman Point

Mumbai- Maharashtra-400021

Tel: +91 22 22042019

Email: info@satgroup.in

Website: www.sahpolymers.com

MANUFACTURING UNIT

Sah Polymers Limited

E-260-261, Mewar, Industrial Area, Madri,

Udaipur (Raj.)-313003

Tel: +91 294 2493889

Email: info@sahpolymers.com

Website: www.sahpolymers.com

Registration Number: 006657

CIN: U24201RJ1992PLC006657

PROCESSING UNIT

G-260, IID Center, Kaladwas, Udaipur ,Rajasthan 313003

Tel: 9799089998

Contact person- Ayyaz Hussain

Email: info@sahpolymers.com

Website: www.sahpolymers.com

Registration Number: 006657

CIN: U24201RJ1992PLC006657

Address of Registrar of Companies

Our Company is registered with the Registrar of Companies, Jaipur, Rajasthan. The Red Herring Prospectus is being filed and Prospectus will be filed in accordance with section 32 read with section 26 of the Companies Act, along with the material contracts and documents referred to in the Red Herring Prospectus and the Prospectus with the RoC at:

Registrar of Companies, Jaipur, Rajasthan

C/6-7, 1st Floor, Residency Area, Civil Lines,

Jaipur-302001, Rajasthan

Website: www.mca.gov.in

BOARD OF DIRECTORS OF OUR COMPANY

The following table sets out details regarding our Board as on the date of this Red Herring Prospectus:

| Sl.No | Name of the Director | Designation | DIN | Address |
|-------|--------------------------|------------------------------------|----------|---|
| 1 | Asad Daud | Managing Director | 02491539 | 303, Aashiana, 3 rd Gunpowder Lane, Mazgaon, Near Nana Nani Park, Mumbai-400010 |
| 2 | Hakim Sadiq Ali Tidiwala | Whole Time Director | 00119156 | 30, Fatehpura, Kharol Colony, Udaipur-313004 |
| 3 | Ramesh Chandra Soni | Non-Executive Independent Director | 00049497 | 29, Chhoti Maheshwari Street, Dhanmandi, Udaipur-313001 |
| 4 | Sanjay Suthar | Non-Executive Independent Director | 07777202 | Jhadol, Falasiya, Kolyari , Udaipur - 313701 |
| 5 | Nikhil Khanderao Raut | Non-Executive Independent Director | 06653335 | Kamal Niwas, Near Municipal School, Penkar Pada, Mira Road East, Mira-Bhayander, Thane, Maharashtra- 401107 |
| 6 | Chetna | Non-Executive Independent Director | 08981045 | H. No. 138, Village Rithala, North West Delhi Delhi- 110085 |

For further details of our directors, please refer to the chapter titled “*Our Management*” on Page 154 of this Red Herring Prospectus.

CHIEF EXECUTIVE OFFICER

Murtaza Ali Moti

E-260-261, Mewar, Industrial Area, Madri

Udaipur (Raj.)-313003

Tel: +91 294 2493889

Email: murtaza@sahpolymers.com

Website: www.sahppolymers.com

CHIEF FINANCIAL OFFICER

Lalit Kumar Bolia

E-260-261, Mewar, Industrial Area, Madri

Udaipur (Raj.)-313003

Tel: +91 294 2493889

Email: cfo@sahpolymers.com

Website: www.sahppolymers.com

COMPANY SECRETARY AND COMPLIANCE OFFICE

Runel Saxena

E-260-261, Mewar, Industrial Area, Madri

Udaipur (Raj.)-313003

Tel: +91 294 2493889

Email: cs@sahpolymers.com

Website: www.sahpolymers.com

INVESTOR GRIEVANCES

Bidders are advised to contact the Company Secretary and Compliance Officer and/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 funds by electronic mode etc.

FILING OF THIS RED HERRING PROSPECTUS

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary(ies) to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary(ies) where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediary(ies) in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the

Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Issue-related grievances of the Anchor Investors may be addressed to the Registrar to the Issue giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Managers where the Anchor Investor Application Form was submitted by the Anchor Investor.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 0.50 million, shall use UPI. Eligible Employees and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

A copy of this Red Herring Prospectus will be filed electronically on the platform provided by SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD", and will also be uploaded on the SEBI intermediary portal at <https://siportal.sebi.gov.in> as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018. It will also be filed with the Securities and Exchange Board of India at:

Securities and Exchange Board of India

Jyoti Nagar, Ground Floor, Jeevan Nidhi 2,
LIC Building, Ambedkar Circle,
Jaipur - 302005, Rajasthan
Ph: +91-0141-2744212/13

**BOOK RUNNING LEAD MANAGER
PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**

406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East)
Mumbai 400051, Maharashtra, India
Tel: +91 22 6194 6700

Email: ipo@pantomathgroup.com

Investor Grievance ID: ipo@pantomathgroup.com

Website: www.pantomathgroup.com

Contact Person: Bharti Ranga/ Punam Thadeshwar

SEBI Registration No: INM000012110

Statement of Inter-se allocation of responsibilities

Since Pantomath Capital Advisors Private Limited is the sole Book Running Lead Manager to this issue, and 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 among Book Running Lead Manager is not applicable.

LEGAL ADVISOR TO THE ISSUE

M/s. Juris Matrix Partners LLP

302, Apeejay House,
130, Mumbai Samachar Marg Fort
Mumbai-400001

Contact Details: +91-9820069616

Website: www.jurismatrix.net

Contact Person: Anil Shah

Email Id: anil@jurismatrix.net

STATUTORY AUDITORS AND PEER REVIEW AUDITOR

H R Jain & Co

Chartered Accountants
310-313 Arihant Plaza,

Near State Bank of India,
 Udaiyapole, Udaipur (Raj.) – 313001
 Tel: 9785390875
 Email : hrjainca@gmail.com
 Contact Person : CA Manoj Jain
 Firm Registration No: 000262C
 Membership No:400459

Changes in auditors during last three financial years

The following changes have taken place in the Auditors during the last three years preceding the date of the Red Herring Prospectus

| Sl.No | Date | From | To | Reason |
|-------|------------|---|---|---------------------------|
| 1 | 30/09/2022 | Ajay Paliwal & Co. Chartered Accountants 418, Teachers Colony, Amba Mata Scheme, Udaipur-313001 Tel: 0294 2430466 Email: ajayhpaliwal@gmail.com Contact Person: Ajay Paliwal Firm Registration No.: 12345C Membership No.: 403290 | H R Jain & Co Chartered Accountants 310-313 Arihant Plaza, Near State Bank of India, Udaiyapole, Udaipur (Raj.) – 313001 Tel: 9785390875 Email : hrjainca@gmail.com Contact Person : CA Manoj Jain Firm Registration No: 000262C Membership No:400459 | Completion of 5 year term |

REGISTRAR TO THE ISSUE

LINK INTIME INDIA PRIVATE LIMITED

C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West),
 Mumbai - 400083, Maharashtra, India.
Tel: 022-49186200
Fax: 022-49186060

Email: Sahpolymers.ipo@linkintime.co.in

Investor Grievance ID: Sahpolymers.ipo@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Shanti Gopalkrishnan

SEBI Registration no.: INR000004058

BANKER TO THE COMPANY

UCO BANK

Address-6-B, Bapu Bazar, Udaipur, Rajasthan - 313001
Tel: 0294-2421126, 0294-2425926
Fax: 0294-2425926

E-mail: udaipu@ucobank.co.in

Contact Person: Abhinav Burad

SYNDICATE MEMBER

Pentagon Stock Brokers Private Limited

(formerly known as Pantomath Stock Brokers Private Limited)

Address: 108, Madhava Premises, Behind Family Court
 Bandra Kurla Complex, Bandra East, Mumbai 400051
Mob.: 02242577000

Contact Person- Subhash Vishwakarma

Email: subhash.vishwakarma@pentagonbroking.com

SEBI Registration no.: INZ000068338

BANKER(S) TO THE ISSUE / ESCROW COLLECTION BANK(S), PUBLIC ISSUE ACCOUNT ISSUE, REFUND BANK AND SPONSOR BANK

ICICI BANK LIMITED

Capital Market Division, 5th Floor

Backbay Reclamation, Churchgate

Mumbai 400 020

Contact Person: Sagar Welekar

Email: sagar.welekar@icicibank.com

Tel + 91 22 68052182

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Bid cum Application Forms, is available at <https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures> or at such other websites as may be prescribed by SEBI from time to time.

SCSBs eligible as Issuer Banks for UPI Mechanism and eligible mobile applications

The list of SCSBs through which Bids can be submitted by RIBs using the UPI Mechanism, including details such as the eligible Mobile Apps and UPI handle which can be used for such Bids, is available on the website of the SEBI, and may be updated from time to time or at such other website as may be prescribed by SEBI from time to time. Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website.

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, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIIs) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, which may be and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Bidders can submit the ASBA Forms in the Issue using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centers.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at <http://www.bseindia.com> and <http://www.nseindia.com>, respectively.

Registrar to Issue and Share Transfer Agents

The list of the CRTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at

www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and <https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures>, respectively, as updated from time to time.

Collecting Depository Participants

In terms of SEBI circular no. CIR/CFD/ POLICYCELL/11/2015 dated November 10, 2015, Bidders can submit Bid cum Application Forms through Collecting RTAs who are registrars and transfer agents registered with SEBI and have furnished their details to Stock Exchanges for acting in such capacity.

The list of Collecting RTAs, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at <http://www.bseindia.com> and <http://www.nseindia.com>, respectively.

Credit rating

This being an issue of Equity Shares, credit rating is not required. Further Our Company has not obtained any credit ratings in the last three years.

Debenture trustee

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

IPO grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Issue.

Expert opinion

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

Our Company has received written consent dated November 1, 2022 from H.R.Jain & Co, the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the: (i) their examination report dated November 03, 2022 on the Restated Standalone and Consolidated Financial Information; (ii) their report dated November 03, 2022 on the Statement of Tax Benefits included in this Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Red Herring Prospectus.

However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Appraisal and Monitoring Agency

The Issue size does not exceed Rs. 10,000 lakhs. Hence, our Company is not required to appoint a monitoring agency to monitor utilization of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus. For further details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Issue*" on page 90 of this Red Herring Prospectus. 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. Further, our Company has not appointed any appraisal agency for this issue. For any investments in acquisitions or strategic partnership or any inorganic growth initiative, post IPO from the IPO proceeds, detailed disclosures of same shall be made in public domain at that time.

Green Shoe Option

No green shoe option is contemplated under the Issue.

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band has been determined by our Company in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English Newspaper, Financial Express, all editions of a widely circulated Hindi Newspaper, Jansatta and Hindi edition of widely circulated Prarthakal regional Newspaper, Hindi being the regional language of Udaipur, Rajasthan, where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price has been determined by our Company in consultation with the BRLM in accordance with the Book Building Process after the Bid/Issue Closing Date. Principal parties involved in the Book Building Process are:-

- Our Company;
- The Book Running Lead Manager in this case being Pantomath Capital Advisors Private Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with Stock Exchanges and eligible to act as Underwriters. The Syndicate Member(s) was appointed by the BRLM;
- The Registrar to the Issue
- The Escrow Collection Banks/ Bankers to the Issue;
- The Sponsor Bank(s);
- The SCSBs; and
- The Registered Brokers

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors (subject to the Bid Amount being up to Rs.2,00,000) can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis and allocation to Anchor Investors in the Anchor Investor Portion will be on a discretionary basis.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and Bidders are advised to make their own judgment about investment through this process prior to submitting a Bid in the Issue.

Bidders should note that the Issue is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Issue Closing Date or such other time period as prescribed under applicable law.

For further details on the method and procedure for Bidding, see “*Issue Structure*” and “*Issue Procedure*” on pages 228 and 232 respectively of this Red Herring Prospectus.

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

Underwriting Agreement

After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued through the Issue. The extent of underwriting obligations and the Bids to be underwritten by the BRLM shall be as per the Underwriting Agreement. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein. The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus. This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)

| Name, address, telephone number and e-mail address of the Underwriters | Indicative Number of Equity Shares to be Underwritten | Amount Underwritten(Rs. in Lakhs) |
|---|--|--|
| [●] | [●] | [●] |
| Total | [●] | [●] |

The abovementioned underwriting commitment is indicative and will be finalized after determination of the Issue Price and Basis of Allotment and will be subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as merchant bankers with SEBI or as brokers with the Stock Exchange(s). Our Board/IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Notwithstanding the table above, the BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to the Equity Shares allocated to the Bidders procured by them. The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus and will be executed after determination of the Issue Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Issue by the BRLM shall be as per the Underwriting Agreement.

The underwriting agreement shall list out the role and obligations of each Syndicate Member, and inter alia contain a clause stating that margin collected shall be uniform across all categories indicating the percentage to be paid as margin by the bidders at the time of Bidding. The extent of underwriting obligations and the Bids to be underwritten in the Issue shall be as per the Underwriting Agreement.

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CAPITAL STRUCTURE

The share capital of our Company as on the date of this Red Herring Prospectus, is set forth below:

(Except share data and unless otherwise provided, in Rs.)

| Particulars | | Aggregate Value at Face value (in Rs.) | Aggregate Value at Issue Price (in Rs.) |
|-------------|--|--|---|
| A. | AUTHORISED SHARE CAPITAL⁽¹⁾ | | |
| | 3,00,00,000 Equity Shares of Rs. 10/- each | 30,00,00,000 | [●] |
| B. | ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE | | |
| | 1,55,96,000 Equity shares having a face value of Rs. 10/- each | 15,59,60,000 | [●] |
| C. | PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS | | |
| | Issue of up to 1,02,00,000 * Equity Shares | 10,20,00,000 | [●] |
| | <i>Of Which:</i> | | |
| | (2) QIB Portion of [●] Equity Shares | [●] | [●]* |
| | (3) Non-Institutional Portion of not less than [●] Equity Shares | [●] | [●]* |
| | (4) Retail Portion of not less than [●] Equity Shares | [●] | [●]* |
| D. | ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE ISSUE | | |
| | [●] Equity Shares of Rs.10/- each | | [●] |
| E. | SECURITIES PREMIUM ACCOUNT | | |
| | Before the Issue | 2,80,00,000 | |
| | After the Issue | | [●] [#] |

*Subject to finalisation of Basis of Allotment. The Issue Price is Rs.[●] per Equity Share.

#Calculated after considering the impact of issue of [●] number of Equity Shares of Rs.10 each at a premium of Rs. [●] per Equity Share (without adjusting for Issue expenses)

For details in relation to the changes in the authorised share capital in the last 10 years of our Company, see “History and Certain Corporate Matters – Amendments to our Memorandum of Association” on page 148 of this Red Herring Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on April 07, 2022 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra-ordinary General Meeting held on April 13, 2022.

Notes to Capital Structure

1. **History of Equity Share Capital of our Company:** The following is the history of the Equity Share Capital of our Company:

| Date of Allotment | No. of Equity Shares Allotted | Face Value (in Rs.) | Issue Price (in Rs.) | Nature of consideration | Nature of allotment | Cumulative no. of Equity Shares | Cumulative paid-up Equity Capital(in Rs.) |
|--|-------------------------------|---------------------|----------------------|-------------------------|---|---------------------------------|---|
| During incorporation (April 20, 1992) | 70 | 10 | 10 | Cash | Subscription to MoA ⁽ⁱ⁾ | 70 | 700 |
| September 18, 1998 | 14,50,000 | 10 | 10 | Cash | Preferential allotment ⁽ⁱⁱ⁾ | 14,50,070 | 1,45,00,700 |
| December 1, 2005 | 5,47,430 | 10 | 10 | Cash | Preferential allotment ⁽ⁱⁱⁱ⁾ | 19,97,500 | 1,99,75,000 |
| March 29, 2007 | 17,00,000 | 10 | 10 | Cash | Preferential allotment ^(iv) | 36,97,500 | 3,69,75,000 |
| July 1, 2008 | 10,60,500 | 10 | 10 | Cash | Preferential allotment ^(v) | 47,58,000 | 4,75,80,000 |
| October 27, 2009 | 22,42,000 | 10 | 10 | Cash | Preferential allotment ^(vi) | 70,00,000 | 7,00,00,000 |
| Pursuant to Subdivision from 1 equity share of Rs.10/- each into 5 equity share of Rs. 2/-each the existing paid up share capital of 70,00,000 equity shares of Rs. 10 each was split into 3,50,00,000 Equity shares of Rs. 2 each | | | | | | | |
| December 11, 2009 | 1,23,20,000 | 2 | 2 | Cash | Preferential allotment ^(vii) | 4,73,20,000 | 9,46,40,000 |
| Pursuant to Shareholders' resolution dated October 11, 2011 Consolidation from 5 equity share of Rs.2/- each into 1 equity share of Rs. 10/-each the existing paid up share capital of 47320000 equity shares of Rs. 2/- each was consolidated to 94,64,000 Equity shares of Rs. 10/- each | | | | | | | |
| March 18, 2013 | 47,32,000 | 10 | - | Other than cash | Bonus Issue ^(viii) | 1,41,96,000 | 14,19,60,000 |
| March 30, 2018 | 14,00,000 | 10 | 30 | Cash | Preferential allotment ^(ix) | 1,55,96,000 | 15,59,60,000 |

- i. Initial Subscribers to Memorandum of Association subscribed 70 Equity Shares of face value of Rs. 10/- each fully paid on April 04, 1992, as per the details given below:

| Sr. No. | Name of Person | No. of shares Subscribed |
|---------|-------------------------|--------------------------|
| 1. | Daud Ali Dawood | 10 |
| 2. | Hatim Ali Dawood | 10 |
| 3. | Shabbir Hussain Dawood | 10 |
| 4. | Mohammed Hussain Dawood | 10 |
| 5. | Rashida Daud | 10 |
| 6. | Zubeda Daud | 10 |
| 7. | Batool Daud | 10 |
| | Total | 70 |

- ii. Preferential allotment of 14,50,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 10/- each equity shares on September 18, 1998 as per the details given below:

| Sr. No. | Name of Person | No. of shares Allotted |
|---------|----------------------|------------------------|
| 1 | Hakim S. Tidiwala | 2,50,000 |
| 2 | Sakina Tidiwala | 1,12,500 |
| 3 | Hatim Ali Heetawala | 1,45,000 |
| 4 | Mansoor Ali | 1,88,500 |
| 5 | Abbas Ali Bandoowala | 1,00,000 |
| 6 | Tasneem A Bandoowala | 1,00,000 |
| 7 | Muslim Bandoowala | 1,00,000 |
| 8 | Tasneem M Bandoowala | 90,000 |

| Sr. No. | Name of Person | No. of shares Allotted |
|---------|---------------------------|------------------------|
| 9 | Tokir Bandoowala | 1,00,000 |
| 10 | Nafisa Bandoowala | 90,000 |
| 11 | Dawood Investment Pvt Ltd | 1,74,000 |
| | Total | 14,50,000 |

- iii. Preferential allotment of 5,47,430 Equity Shares of face value of Rs. 10/- each fully paid at a price of Rs. 10/- each equity shares on December 01, 2005 as per the details given below:

| Sr. No. | Name of Person | No. of shares Allotted |
|---------|--|------------------------|
| 1 | Sat Industries Limited (formerly known as Sat Investeck Limited) | 5,47,430 |
| | Total | 5,47,430 |

- iv. Preferential allotment of 17,00,000 Equity Shares of face value of Rs. 10/- each fully paid at a price of Rs. 10/- each equity shares on March 29, 2007 as per the details given below:

| Sr. No. | Name of Person | No. of shares Allotted |
|---------|------------------------|------------------------|
| 1 | Sat Industries Limited | 17,00,000 |
| | Total | 17,00,000 |

- v. Preferential allotment of 10,60,500 Equity Shares of face value of Rs. 10/- each fully paid at a price of Rs. 10/- each equity shares on July 1, 2008 as per the details given below:

| Sr. No. | Name of Person | No. of shares Allotted |
|---------|------------------------|------------------------|
| 1 | Sat Industries Limited | 10,60,500 |
| | Total | 10,60,500 |

- vi. Preferential allotment of 22,42,000 Equity Shares of face value of Rs. 10/- each fully paid at a price of Rs. 10/- each equity shares on October 27, 2009 as per the details given below:

| Sr. No. | Name of Person | No. of shares Allotted |
|---------|------------------------|------------------------|
| 1 | Sat Industries Limited | 22,42,000 |
| | Total | 22,42,000 |

- vii. Preferential allotment of 12,32,000 Equity Shares of face value of Rs. 10/- each fully paid at a price of Rs. 10/- each equity shares on December 11, 2009 as per the details given below:

| Sr. No. | Name of Person | No. of shares Allotted |
|---------|------------------------------------|------------------------|
| 1 | Sat Invest Private Limited | 70,00,000 |
| 2 | Space Age Polymers Private Limited | 49,00,000 |
| 3 | Om Prakash Khandelwal | 4,20,000 |
| | Total | 1,23,20,000 |

- viii. Bonus Issue of 47,32,000 Equity Shares in the ratio of 1:2 (i.e. one Share for every two shares held) of face value of Rs. 10/- each fully paid held by the members of the Company, on March 18, 2013 as per the details given below:

| Sr. No. | Name of Person | No. of shares Allotted |
|---------|--------------------------------|------------------------|
| 1 | Hakim Sadiq Tidiwala | 1,25,035 |
| 2 | Sakina Tidiwala | 56,250 |
| 3 | Abbas Ali Bandoowala | 50,000 |
| 4 | Tasneem A Bandoowala | 50,000 |
| 5 | Muslim Bandoowala | 50,000 |
| 6 | Tasneem M Bandoowala | 45,000 |
| 7 | Tokir Bandoowala | 50,000 |
| 8 | Nafisa Bandoowala | 45,000 |
| 9 | Sat Invest Private Limited | 22,64,965 |
| 10 | Lion Houseware Private Limited | 10,42,000 |
| 11 | Park Continental Limited | 9,53,750 |
| | Total | 47,32,000 |

- ix. Allotment of 14,00,000 Equity Shares of face value of Rs. 10/- each fully paid at a price of Rs. 30/- each equity shares pursuant to Preferential allotment on March 30, 2018 as per the details given below:

| Sr. No. | Name of Person | No. of shares Allotted |
|---------|------------------------|------------------------|
| 1 | Sat Industries Limited | 14,00,000 |
| | Total | 14,00,000 |

2. We have not issued any Equity Shares for consideration other than cash except as mentioned below:

| Date of Allotment * | Nature of allotment | No. of Equity Shares allotted | Face Value (in Rs.) | Issue Price (in Rs.) | Nature of consideration | Reasons for allotment | Benefits accrued to our Company |
|---------------------|---------------------|-------------------------------|---------------------|----------------------|-------------------------|-----------------------|---------------------------------|
| March 18, 2013 | Bonus Issue | 47,32,000 | 10 | Not applicable | Other than cash | Bonus Issue | Capitalisation of Reserves |

* For details of Allotees, please refer point no. 1(viii) above.

- No Equity Shares have been allotted pursuant to any scheme approved under Section 230-234 of Companies Act, 2013.
- Our Company does not have any Employee Stock Option Scheme as on the date of the Red Herring Prospectus and has accordingly not issued any shares pursuant to an Employee Stock Option Scheme.
- Our Company has not revalued its assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Our Company has not issued any Equity Shares during a period of one year preceding the date of this Red Herring Prospectus which may be lower than the Issue Price
- As on date of this Red Herring Prospectus, our Company has not issued preference shares and does not have any outstanding preference shares. None of the members of the Promoter group, our Promoter, the Directors of our Company and their relatives have purchased or sold Equity shares during the period of six months immediately preceding the date of filing of this Red Herring Prospectus.

8. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company as on the date of this Red Herring Prospectus:

| 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 depositary receipts (VI) | Total No. of shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | No. of Shares underlying outstanding convertible securities (including warrants) | Shareholding as a % assuming full conversion of convertible securities No. (a) | | | No. of locked-in Equity Shares (XI) | Number of Equity Shares pledged or otherwise encumbered (XIII) | | No. of Equity Shares held in dematerialized form (XIV) | |
|--------------|---------------------------------------|---------------------------|--|--|---|--|--|---|--|--|-------|-------------------------|-------------------------------------|--|---------------------------------|--|---------------------------------|
| | | | | | | | | | | Class (Equity) | Total | Total as a % of (A+B+C) | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) |
| (A) | Promoter and Promoter Group | 9 | 15596000 | 0 | 0 | 15596000 | 100.00 | 15596000 | 15596000 | 100.00 | 0 | 0 | 0 | 0 | 0 | 0 | 15596000 |
| (B) | Public | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares underlying depositary receipts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by employee trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | 9 | 15596000 | 0 | 0 | 15596000 | 100.00 | 15596000 | 15596000 | 100.00 | 0 | 0 | 0 | 0 | 0 | 0 | 15596000 |

9. Other details of Shareholding of our Company :

a) As on the date of filing of this Red Herring Prospectus, our Company has 9 Equity Shareholders.

b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity share capital of our Company, as on the date of filing of this Red Herring Prospectus;

| Sr. No. | Name of Shareholders | Number of Equity Shares | % of the total Pre Issue Paid-up Share Capital |
|---------|----------------------------|-------------------------|--|
| 1 | Sat Industries Limited | 1,43,16,000* | 91.79 |
| 2 | Sat Invest Private Limited | 12,80,000 | 8.21 |
| | Total | 1,55,96,000 | 100.00 |

*Asad Daud, Shehnaz D Ali, Hari Kant Turgalia, Rangarao S Chinchulkar, Nitin Bhiva Shinde, Lalit Kumar Bolia and Mahipal Jain holds 1 equity share each on behalf of our Promoter, Sat Industries Limited.

c) Set forth below is a list of Shareholders holding 1% or more of the paid-up share Equity capital of our Company, as of 10 days prior to the date of filing of this Red Herring Prospectus.:

| Sr. No. | Name of Shareholders | Number of Equity Shares | % of the total Pre Issue Paid-up Share Capital |
|---------|----------------------------|-------------------------|--|
| 1 | Sat Industries Limited | 1,43,16,000* | 91.79 |
| 2 | Sat Invest Private Limited | 12,80,000 | 8.21 |
| | Total | 1,55,96,000 | 100.00 |

*Asad Daud, Shehnaz D Ali, Hari Kant Turgalia, Rangarao S Chinchulkar, Nitin Bhiva Shinde, Lalit Kumar Bolia and Mahipal Jain holds 1 equity share each on behalf of our Promoter, Sat Industries Limited.

d) Set forth below is a list of Shareholders holding 1% or more of the paid-up share Equity capital of our Company, as of one year prior to the date of filing of this Red Herring Prospectus.:

| Sr. No. | Name of Shareholders | Number of Equity Shares | % of the total Pre Issue Paid-up Share Capital |
|---------|----------------------------|-------------------------|--|
| 1 | Sat Industries Limited | 1,43,16,000* | 91.79 |
| 2 | Sat Invest Private Limited | 12,80,000 | 8.21 |
| | Total | 1,55,96,000 | 100.00 |

*Asad Daud, Shehnaz D Ali, Hari Kant Turgalia, Rangarao S Chinchulkar, Nitin Bhiva Shinde, Lalit Kumar Bolia and Mahipal Jain holds 1 equity share each on behalf of our Promoter, Sat Industries Limited.

e) Set forth below is a list of Shareholders holding 1% or more of the paid-up share Equity capital of our Company, as of 2 years prior to the date of filing of this Red Herring Prospectus.:

| Sr. No. | Name of Shareholders | Number of Equity Shares | % of the total Pre Issue Paid-up Share Capital |
|---------|----------------------------|-------------------------|--|
| 1 | Sat Industries Limited | 1,43,16,000* | 91.79 |
| 2 | Sat Invest Private Limited | 12,80,000 | 8.21 |
| | Total | 1,55,96,000 | 100.00 |

*Asad Daud, Shehnaz D Ali, Hari Kant Turgalia, Rangarao S Chinchulkar, Nitin Bhiva Shinde, Lalit Kumar Bolia and Mahipal Jain holds 1 equity share each on behalf of our Promoter, Sat Industries Limited.

f) Shareholding of our Directors and Key Managerial Personnel:

Set forth below is the shareholding of our Directors or Key Managerial Personnel as on the date of this Red Herring Prospectus:

| Sr. No. | Name of Shareholders | Number of Equity Shares | % of the total Pre Issue Paid-up Share Capital |
|---------|----------------------|-------------------------|--|
| 1 | Asad Daud* | 1 | Negligible |
| 2 | Lalit Kumar Bolia* | 1 | Negligible |

* In their capacity as nominees on behalf of Sat Industries Limited

10. Details of Shareholding of our Promoters and members of the Promoter Group in our Company

(a) As on the date of this Red Herring Prospectus, our Corporate Promoter Sat Industries Limited holds, together with its nominees, 1,43,16,000 Equity Shares, equivalent to 91.79% of the issued, subscribed and paid-up equity share capital of our Company, which is inclusive of the shares held by the nominees on behalf of Sat Industries Limited.

(b) The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth in the table below

| Nature of Transaction | Date of allotment and the date on which the equity Shares were made fully paid-up / acquisition | Number of Equity Shares | Face Value per Share | Issue Price / Transfer Price per Equity Share | % of Pre-Issue Paid up Capital | % to the Post Issue Paid Up Capital |
|---------------------------------------|---|-------------------------|----------------------|---|--------------------------------|-------------------------------------|
| Mr. Hakim S. Tidiwala | | | | | | |
| Preferential allotment | September 18, 1998 | 2,50,000 | 10 | 10 | 1.60 | [●] |
| Transfer from Dawood Ali Daud | September 25, 1998 | 10 | 10 | 10 | 0.00 | [●] |
| Transfer from Dawood Ali Hatim | September 25, 1998 | 10 | 10 | 10 | 0.00 | [●] |
| Transfer from Dawood Hussain Shabbir | September 25, 1998 | 10 | 10 | 10 | 0.00 | [●] |
| Transfer from Dawood Hussain Mohammed | September 25, 1998 | 10 | 10 | 10 | 0.00 | [●] |
| Transfer from Dawood Rashida | September 25, 1998 | 10 | 10 | 10 | 0.00 | [●] |
| Transfer from Dawood Zubeda | September 25, 1998 | 10 | 10 | 10 | 0.00 | [●] |
| Transfer from Dawood Batool | September 25, 1998 | 10 | 10 | 10 | 0.00 | [●] |
| Bonus | March 18, 2013 | 1,25,035 | 10 | 0 | 0.80 | [●] |
| | | 3,75,105 | | | | [●] |

Sat Industries Limited

| Nature of Transaction | Date of allotment and the date on which the equity Shares were made fully paid-up /acquisition | Number of Equity Shares | Face Value per Share | Issue Price / Transfer Price per Equity Share | % of Pre-Issue Paid up Capital | % to the Post Issue Paid Up Capital |
|---|--|-------------------------|----------------------|---|--------------------------------|-------------------------------------|
| Preferential allotment | December 1, 2005 | 547430 | 10 | 10 | 3.51 | [●] |
| Transfer from M/s Dawood Investment Pvt. Ltd. | December 1, 2005 | 174000 | 10 | 10 | 1.12 | [●] |
| Transfer from . Mansoor Ali | December 1, 2005 | 188500 | 10 | 10 | 1.20 | [●] |
| Transfer from Hatim Ali Heetawala | December 1, 2005 | 145000 | 10 | 10 | 0.93 | [●] |
| Preferential Allotment | March 29, 2007 | 1700000 | 10 | 10 | 10.90 | [●] |
| Preferential Allotment | July 01, 2008 | 1060500 | 10 | 10 | 6.80 | [●] |
| Preferential Allotment | October 27, 2009 | 2242000 | 10 | 10 | 14.38 | [●] |
| Transfer to Sat Invest Private Limited | November 03, 2009 | (2149930) | 10 | 15 | (13.78) | [●] |
| Transfer to. Lion Houseware Private Limited | January 03, 2012 | (2000000) | 10 | 15.50 | (12.82) | [●] |
| Transfer to Park Continental Private Limited | January 03, 2012 | (1907500) | 10 | 15.50 | (12.23) | [●] |
| Total | Nil | | | | Nil | |

| Nature of Transaction | Date of allotment and the date on which the equity Shares were made fully paid-up /acquisition | Number of Equity Shares | Face Value per Share | Issue Price / Transfer Price per Equity Share | % of Pre-Issue Paid up Capital | % to the Post Issue Paid Up Capital |
|--|--|-------------------------|----------------------|---|--------------------------------|-------------------------------------|
| <i>Sat Industries Limited has been identified as the Corporate Promoter of our Company since July 01, 2015</i> | | | | | | |
| Transfer from Sat Invest Private Limited | July 01, 2015 | 4529930 | 10 | 11 | 29.04 | [●] |
| Transfer from Lion Houseware Private. Ltd | July 01, 2015 | 2084000 | 10 | 11 | 13.36 | [●] |
| Transfer from Park Continental Private Limited. | July 01, 2015 | 1907500 | 10 | 11 | 12.23 | [●] |
| Transfer from Sat Invest Private Limited | March 23, 2016 | 764965 | 10 | 10. | 4.90 | [●] |
| Transfer from Park Continental Private Limited. | March 23, 2016 | 953750 | 10 | 10 | 6.11 | [●] |
| Transfer from Lion Houseware Private. Ltd | March 23,2016 | 1042000 | 10 | 10 | 6.68 | [●] |
| Transfer from Hakim S Tidiwala | February 6, 2017 | 375105 | 10 | 11 | 2.40 | [●] |
| Transfer from Sakina Tidiwala | February 6, 2017 | 168750 | 10 | 11 | 1.08 | [●] |
| Transfer from Abbas Ali Bandoowala | February 6, 2017 | 150000 | 10 | 11 | 0.96 | [●] |
| Transfer from Tokir Bandoowala | February 6, 2017 | 150000 | 10 | 11 | 0.96 | [●] |
| Transfer from Tasneem A Bandoowala | February 6, 2017 | 150000 | 10 | 11 | 0.96 | [●] |
| Transfer from Muslim Bandoowala | February 6, 2017 | 149993 | 10 | 11 | 0.96 | [●] |
| Transfer from Tasneem M Bandoowala | February 6, 2017 | 135000 | 10 | 11 | 0.86 | [●] |
| Transfer from Nafisa Bandoowala | February 6, 2017 | 135000 | 10 | 11 | 0.86 | [●] |
| Preferential Allotment | March 30, 2018 | 1400000 | 10 | 30 | 8.97 | [●] |
| Transfer from Sat Invest Private Limited | March 30, 2018 | 220000 | 10 | 30 | 1.41 | [●] |
| Asad Daud* | February 6, 2017 | 1 | 10 | 10 | negligence | [●] |
| Shahnaz Ali* | February 6, 2017 | 1 | 10 | 10 | negligence | [●] |
| Harikant Turgalia* | February 6, 2017 | 1 | 10 | 10 | negligence | [●] |
| Rangrao S Chinchulkar* | February 6, 2017 | 1 | 10 | 10 | negligence | [●] |
| Nitin S Shinde* | February 6, 2017 | 1 | 10 | 10 | negligence | [●] |
| Lalit K Bolia* | February 6, 2017 | 1 | 10 | 10 | negligence | [●] |
| Mahipal Jain* | February 6, 2017 | 1 | 10 | 10 | negligence | [●] |
| Total | | 14316000 | | | 91.79 | |

***Nominee shareholders**

(c) Details of Shareholding of our Promoters, members of Promoter Group in our Company:

The following is the Equity shareholding of our Promoter and Promoter Group as of the date of filing this Red Herring Prospectus:

| S. No. | Name of shareholders | No. of Equity Shares held | % of Pre-Issue Equity Shares Capital | % of Post- Issue Equity Shares |
|-----------------------|----------------------------|---------------------------|--------------------------------------|--------------------------------|
| Promoter | | | | |
| 1. | Sat Industries Limited | 1,43,15,993 | 91.79 | [●] |
| Promoter Group | | | | |
| 2. | Sat Invest Private Limited | 12,80,000 | 8.21 | [●] |

| Others* | | | | |
|----------------|------------------------|-------------|------------|-----|
| 3. | Asad Daud* | 1 | negligible | [•] |
| 4. | Shahnaz Ali* | 1 | negligible | [•] |
| 5. | Harikant Turgalia* | 1 | negligible | [•] |
| 6. | Rangrao S Chinchulkar* | 1 | negligible | [•] |
| 7. | Nitin S Shinde* | 1 | negligible | [•] |
| 8. | Lalit K Bolia* | 1 | negligible | [•] |
| 9. | Mahipal Jain* | 1 | negligible | [•] |
| | Total | 1,55,96,000 | 100.00 | [•] |

* In their capacity as nominees on behalf of Sat Industries Limited

The Company has no proposal or intention to negotiate or consider any alteration in the capital structure of the Company by way of split or consolidation of the denomination of the shares, or to issue specified securities on a preferential basis or to issue bonus or rights or further public Issue of specified securities within a period of 6 (six) months from the date of opening of the Issue. 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.

- a) All the Equity Shares held by our Promoter were fully paid-up on the respective dates of allotment/acquisition of such Equity Shares.
- b) 12,80,000 Equity Shares are held by Sat Invest Private Limited., member of the Promoter group (other than our Promoter) as on the date of filing of this Red Herring Prospectus.
- c) Our Promoter, our Promoter Group, our Directors or their relatives or directors of our Promoter have not purchased, acquired, gifted or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Red Herring Prospectus.
- d) There have been no financing arrangements whereby our Promoter, members of the Promoter Group, directors of our Promoter, our Directors or their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Red Herring Prospectus.

11. Promoters' Contribution and Lock-in

- a) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations) an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoter, shall be locked in for a period of eighteen months Minimum Promoter's Contribution"), and the Promoter's shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked-in for a period of 6 months from the date of Allotment.
- b) Our Promoter have given written consent to include such number of Equity Shares held by it as may constitute 20% of the post Issue Equity Shares Capital of our Company as Promoters' Contribution. Our Promoter has agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, from the date of filing this Red Herring Prospectus until the expiry of the lock-in period as specified below for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations. We, further confirm that the minimum promoter contribution is as per regulation 15 of SEBI ICDR regulation. The bonus received by the promoter are not issued resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum promoters' contribution.
- c) The Equity Shares which are being locked in for eighteen months from the date of Allotment as Promoters'

contributionare as follows*:

| Name of the Promoter | Date of Allotment / transfer of the Equity Shares | Nature of Transaction | Number of Equity Shares** | Face Value (Rs.) | Issue/ acquisition price per Equity Share (Rs.) | No. of Equity Shares locked-in | Percentage of the pre-Issue paid-up capital (%) | Percentage of the post-issue paid-up capital (%) | Date up to which the Equity Shares are subject to lock-in |
|------------------------|---|-----------------------|---------------------------|-------------------|---|--------------------------------|---|--|---|
| Sat Industries Limited | [•] | [•] | [•] | [•] | [•] | [•] | [•] | [•] | [•] |
| Total | [•] | [•] | [•] | [•] | [•] | [•] | [•] | [•] | [•] |

*Details to be included in the prospectus

** All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.

d) The Minimum Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

- The Equity Shares offered for Promoter's Contribution have not been acquired in the three years preceding the date of this Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- The minimum Promoter's Contribution does not include Equity Shares acquired during the one year preceding the date of this Red Herring Prospectus at a price lower than the Issue Price;
- No Equity shares have been issued to our promoter upon by the conversion of a partnership firm or a limited liability partnership firm into a company in the preceding one year and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm;
- The bonus issued by us is in compliance with the applicable and relevant securities laws/Companies Act, 1956/2013. Further, the minimum promoter contribution constitutes these bonus shares received/transferred by the promoter and the said arrangement is in compliance with SEBI ICDR Regulations, 2018
- The Equity Shares held by the Promoter and offered for minimum Promoter's contribution are not subject to any pledge
- All the equity shares of our Company are dematerialized .
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoter's Contribution subject to lock-in.

12. Details of share capital locked in for 6 months

In addition to the Minimum Promoters' Contribution, which will be locked in for eighteen months as specified above, the entire pre-Offer Equity Share capital held by persons (including those Equity Shares held by our Promoters in excess of the Minimum Promoters' Contribution) will be locked-in for a period of six months from the date of Allotment in the Offer, except Offered Shares and any other categories of shareholders exempted under Regulation 17 of the SEBI ICDR Regulations. Any unsubscribed portion of

the Offered Shares would also be locked-in as required under Regulation 16 of the SEBI ICDR Regulations.

13. Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in the following manner: There shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the anchor Investors from the date of Allotment.

14. Recording on non-transferability of Equity Shares locked-in

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

15. Other requirements in respect of lock-in

Pursuant to Regulation 21 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoter, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, NBFC or a deposit accepting housing finance company, subject to the following:

- a. With respect to the Equity Shares locked-in for 6 months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.
- b. With respect to the Equity Shares locked-in as Promoter's Contribution for 18 months from the date of Allotment, the loan must have been granted to our Company or our Subsidiary for the purpose of financing one or more of the objects of the Issue and such pledge of the Equity Shares must be one of the terms of the sanction of the loan, which is not applicable in the context of this Issue.
- c. However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.
- d. In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations.
- e. Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoter prior to the Issue and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations.
- f. Neither the Book Running Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares of our Company as on the date of this Red Herring Prospectus.
- g. The BRLM, Syndicate Members and any persons related to the BRLM and Syndicate Members (other than Mutual Funds sponsored by entities related to the BRLM) cannot apply in the issue. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.
- h. There are no Equity Shares against which depository receipts have been issued.
- i. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares 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.

- j. We shall ensure that transactions in Equity Shares by the Promoter and members of the Promoter Group, if any, between the date of filing the Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within 24 hours of such transactions being completed.
- k. Our Company, our Directors and the Book Running Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the issue from any person.
- l. An over-subscription to the extent of 10% of the issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% 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 our Promoter and subject to lock- in shall be suitably increased; so as to ensure that a minimum of 20% of the post issue paid-up capital is locked in.
- m. As on date of this Red Herring Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
- n. All the Equity Shares of our Company are fully paid up as on the date of the Red Herring Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.
- o. As per RBI regulations, OCBs are not allowed to participate in this Issue.
- p. Our Company has not raised any bridge loans against the proceeds of the Issue.
- q. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
- r. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
- s. An applicant cannot make an application for more than the number of Equity Shares being issued through this issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
- t. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoter to the persons who receive allotments, if any, in this issue.
- u. Our Company has 9 shareholders as on the date of filing of this Red Herring Prospectus.
- v. Our Promoter and the members of our Promoter Group will not participate in this Issue.
- w. Our Company has not made any public issue since its incorporation.
- x. For the details of transactions by our Company with our Promoter Group, Group Company for period three months ended on June 30, 2022 and for the financial years ended March 31, 2022, 2021 and 2020, please refer to paragraph titled Details of Related Parties Transactions as restated in the chapter titled “Restated Standalone and Consolidated Financial Informations” on page 173 of this Red Herring Prospectus.
- y. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “*Our Management*” on page 154 of this Red Herring Prospectus.
- z. Allotment made on March 18, 2013 for Bonus Issue of 47,32,000 Equity Shares in the ratio of 1:2 (i.e. one Share for every two shares held) of face value of Rs. 10/- each fully paid made, is in accordance with applicable provision of the Companies Act, 1956 and/or any other amendment or re-enactment thereof.

OBJECTS OF THE ISSUE

REQUIREMENT OF FUNDS

The proceeds from the Issue, after deducting the Issue related expenses, are estimated to be Rs. [●] lakhs (the “**Net Proceeds**”).

Our Company proposes to utilize the Net Proceeds towards funding of the following objects:

1. Setting up of a new manufacturing facility to manufacture new variant of Flexible Intermediate Bulk Containers (FIBC) (hereinafter referred to as the “**Project**”);
2. Repayment of certain secured and unsecured borrowings in full availed by our Company;
3. Funding the working capital requirements of our Company; and
4. General corporate purposes.

(Collectively, referred to herein as the “**Objects**”)

Additionally, the listing of Equity Shares will enhance our Company’s corporate image, brand name and create a public market for our Equity Shares in India.

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

ISSUE PROCEEDS

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

| <i>(Rs. in Lakhs)</i> | |
|--|---------------------------------|
| Particulars | Estimated amount ⁽¹⁾ |
| Gross Proceeds from the Issue ⁽¹⁾ | [●] |
| (Less) Issue related expenses ⁽²⁾ | [●] |
| Net Proceeds | [●] |

⁽¹⁾ To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

⁽²⁾ The issue related expenses shall vary depending upon the final issue Size and the allotment of Equity Shares.

UTILIZATION OF NET PROCEEDS

The Net Proceeds are proposed to be used in the manner set out in in the following table:

| <i>(Rs. in Lakhs)</i> | | |
|-----------------------|---|------------------|
| Sr. No. | Particulars | Estimated amount |
| 5. | Setting up of a new manufacturing facility to manufacture new variant of Flexible Intermediate Bulk Containers (FIBC) (hereinafter referred to as the “ Project ”) | 817.18 |
| 6. | Repayment of certain secured and unsecured borrowings in full availed by our Company | 1,966.15 |
| 7. | Funding the working capital requirements of our Company | 1,495.81 |
| 8. | General corporate purposes ⁽¹⁾ | [●] |

⁽¹⁾ To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

Proposed schedule of implementation and deployment of Net Proceeds

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

(Rs. in lakhs)

| Sr. No. | Particulars | Total Estimated Amount | Amount already Deployed through Unsecured Loan from our Group Company as on November 18, 2022* | Amount to be funded from the Net Proceeds | Amount already deployed through Secured Loan from Bank as on November 18, 2022* | Estimated Utilisation of Net Proceeds in Fiscal 2023 | Estimated Utilisation of Net Proceeds in Fiscal 2024 |
|---------|---|------------------------|--|---|---|--|--|
| 1 | Setting up of a new manufacturing facility to manufacture new variant of Flexible Intermediate Bulk Containers (FIBC) (hereinafter referred to as the "Project")^ | 3,381.34 | 1,571.39 | 817.18 | 992.77 | 817.18 | - |
| 2 | Repayment of certain secured and unsecured borrowings in full availed by our Company | 1,966.15 | - | 1,966.15 | - | 1,966.15 | - |
| 3 | Funding the working capital requirements of our Company | 1,495.81 | - | 1,495.81 | - | 1,495.81 | - |
| 4 | General corporate purposes# | [•] | - | [•] | | [•] | [•] |
| | Total | [•] | 1,571.39 | [•] | 992.77 | [•] | [•] |

^Total estimated capital cost as per the Detailed Project Report (DPR) dated April 19,2022 with the addendum to the Report dated November 23, 2022 certified by M/s Keyur Shah & Co., Chartered Accountants for the Proposed Project;

*As on November 24, 2022, our Company has deployed total Rs.2,564.16 lakhs from secured loans taken from bank and unsecured loans obtained from our holding company and associated concern towards the Object of the Issue as certified by our Statutory Auditors M/s H.R. Jain and Company, Chartered Accountants, vide certificate dated November 24,2022. The costs incurred by our Company for acquisition of land and building required to set up the proposed manufacturing facility form part of the total estimated cost of the Project.

#To be finalised upon determination of Issue Price and updated in the Prospectus prior to filing with the RoC. The amount shall not exceed 25% of the Net Proceeds.

The fund requirements, proposed deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, internal management estimates, current and valid quotations from suppliers and contractors, and other commercial and technical factors. However, such fund requirements and deployment of funds have not been verified by the Book Running Lead Manager or appraised by any bank or financial institution. The Detailed Project Report (DPR) dated April 19, 2022 with the addendum to the Report dated November 23, 2022 has been certified by M/s Keyur & Shah Company, Chartered Accountant for the proposed Project. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, including changes in design or configuration of the project, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event of the estimated utilisation of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) timely completion of the Issue; (iv) market conditions outside the control of our Company; and (v) any other 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. Further if the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for funding future growth opportunities, and/or towards funding any of the other existing objects (if required), and/or general corporate purposes within the permissible limit in accordance with applicable law.

Means of finance

The fund requirement for capital expenditure of Rs. 3,381.34 lakhs as above shall be met partially from Net Proceeds (upto Rs. 817.18 lakhs) and balance requirement shall be funded through the sanctioned term loan of Rs. 992.77 lakhs from UCO bank via sanction letter dated March 09, 2022 and unsecured loans from our Holding Company i.e. SAT Industries Limited and our other than related party DA Tradetech Private Limited. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VIII and Regulation 7(1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing identifiable internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals.

Details of estimated means of finance for Net Proceeds are set forth below.

| (Rs. in Lakhs) | | | | | |
|----------------|---|------------------------|---|---|---|
| Sr. No. | Particulars | Total Estimated Amount | Unsecured Loan from our Holding Company and third party | Amount to be funded from the Net Proceeds | Amount to be funded from Term Loan/Bank Financing |
| 1 | Setting up of a new manufacturing facility to manufacture new variant of Flexible Intermediate Bulk Containers (FIBC) (hereinafter referred to as the "Project") [^] | 3,381.34 | 1,571.39 | 817.18 | 992.77 |
| 2 | Repayment of certain secured and unsecured borrowings in full availed by our Company | 1,966.15 | - | 1,966.15 | - |
| 3 | Funding the working capital requirements of our Company | 1,495.81 | - | 1,495.81 | - |
| 4 | General corporate purposes ⁽²⁾ | [●] | - | [●] | - |

⁽¹⁾ The costs incurred by our Company for acquisition of land and building required to set up the proposed Project forms part of the total estimated cost of the Project.

Details of the Objects

The details of the Objects of the Issue are set out below:

1. Funding the capital expenditure for the proposed Project

Our current manufacturing facility is located at Mewar Industrial Area, Madri, Udaipur-313003, Rajasthan, India, where we manufacture a diverse range of HDPE/PP Woven Sacks and FIBC products with filling capacity of upto 500 KGs per bag/sack. Our Company intends manufacture new variant of FIBC products by setting up a new manufacturing facility to manufacture bags with filling capacities of upto 2,500 KGs, with an installed capacity of 3,960 MT per annum. The proposed Project is estimated to commence commercial operations in the financial year 2022-23. Further details of the proposed Project are as under:

Land

The proposed manufacturing facility is envisaged to be set up at Village Modi, Tehsil: Vallabh Nagar, District-Udaipur, Rajasthan. Our Company has already acquired land parcel admeasuring approximately 16,000 sq. mtrs. pursuant to the sale deed dated February 25, 2021 at Udaipur, Rajasthan. We are currently in possession of the said land which was acquired by our Company out of unsecured loans obtained from our Holding Company and Corporate Promoter, Sat Industries Limited.

The costs incurred for acquisition of such land parcels forms part of the total estimated cost of the Project. We have converted the usage of land from Agricultural purpose to Non-agricultural purpose pursuant to order dated 21st October 2021 issued by the Revenue Department, Government of Rajasthan. As per the Rajasthan MSME Act, a new enterprise and an enterprise set up or proposed to be set up by an existing enterprise for manufacturing products or providing services at a location which is separately identifiable and different from location of the existing enterprise, is exempted from obtaining certain licenses for a period of three (3) years. We will apply for the requisite licenses before the expiry of the period of exemption which is September 2,2024.

Details of the cost of land are as under:

| Land and Site Development | Rs. in Lakhs |
|--|---------------------|
| Land including conveyance charges | 105.52 |
| Cost of fencing/compound wall running | 15.00 |
| Cost of levelling and development | 49.53 |
| Internal road, colverts, drainage etc. | 34.30 |
| Total Cost of Land | 204.35 |

Our Promoters, Directors and Key Managerial Personnel do not have any interest in this acquisition of the abovementioned land.

Means of Finance for the Project

The total estimated capital cost of the Project is Rs. 3,381.34 lakhs. Our Company intends to fund the cost of the Project as follows:

| Means of Finance | Rs. in Lakhs |
|--|-----------------------------|
| Net Proceeds | 817.18 |
| Unsecured Loans from Holding Company and third party | 1,571.39 |
| Term Loan | 992.77 |
| Total Estimated Capital Cost of the Project | 3,381.34[^] |

[^]Total estimated capital cost as per the Detailed Project Report (DPR) dated April 19,2022 with the addendum to the Report dated November 23, 2022 certified by M/s Keyur Shah & Company, Chartered Accountants in respect of the proposed Project.

We propose that any subsequent initial expenditure in relation to the said Project will be funded from our internal accruals and/or unsecured loans from our holding company and associate concern until the Net Proceeds are available to our Company.

Estimated Cost of Project

The total estimated capital cost of the Project is Rs. 3,381.34 lakhs. The total cost of the Project has been estimated by our management in accordance with our business plan, current and valid quotations received from the suppliers and contractors, Detailed Project Report (DPR) dated April 19,2022 with the addendum to the Report dated November 23, 2022 certified by M/s Keyur Shah & Company, Chartered Accountants and other commercial and technical factors approved by our Board of Directors pursuant to its meeting dated 19, 2022 and November 25, 2022. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. The detailed break-down of estimated cost is set forth below:

| Cost of Project | Rs. in Lakhs |
|---|---------------------|
| Land and Site Development | 204.35 |
| Building | 981.36 |
| Plant & Machinery | 1,120.92 |
| Miscellaneous Fixed Assets | 569.64 |
| Electrification | 177.73 |
| Electricity and Other Security Deposits | 6.27 |
| Preoperative Expenses | 321.06 |
| Total Cost of Project | 3,381.34 |

a) Building

Building work for the Project mainly includes factory shed, utilities, under-ground water tank, office building and electric substation, among others. The total estimated cost for building and civil works is Rs. 981.36 lakhs. Our Company has received quotation dated November 09, 2022 from M/s. B.L. Mantri & Associates Private Limited for the site development and civil works.

| Name of Work | Area in mtrs. | Rate per mtr. (Rs.) | Rs. in Lakhs |
|---|----------------------|----------------------------|---------------------|
| Factory Shed | 6,187.00 | 9,000 | 556.83 |
| Utilities, underground water tank etc. | 375.00 | 6,900 | 25.88 |
| Watchmen room and meter room etc. | 25.00 | 18,000.00 | 4.50 |
| Office building | 165.00 | 12,000.00 | 19.80 |
| Electric substation | NA | NA | 5.00 |
| Labour and Supervisor Quarters | | | 162.30 |
| Increase in overall plinth level and foundation | | | 187.81 |
| Total Work Cost | | | 962.12 |
| Add: Architect Fess @ 2% | | | 19.24 |
| Total Building and Civil Work Cost | | | 981.36 |

The amounts disclosed above are exclusive of applicable taxes and GST. Additionally, there may be revision in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item. Our Promoters, Directors and Key Managerial Personnel do not have any interest in engineering, procurement and construction of the building work as above.

b) Plant & Machinery:

Our Company has acquired / proposes to acquire plant and machineries at an estimated cost of Rs. 1,120.92 lakhs. Our Company has identified the type of plant and machinery to be purchased for the proposed manufacturing unit and obtained quotations from various vendors. Our Company has received some of these plant and machineries and balance are to be acquired. The detailed list of plant & machinery acquired / to be acquired by our Company is provided below:

(Rs. in Lakhs)

| Sr. No. | Machine Name | Qty. | Total Cost (Rs. in Lakhs) | Vendor | Date of Quotation/Purchase Order/Invoice |
|----------------|--|-------------|----------------------------------|--------------------|--|
| 1. | Tape Extrusion Line Model Lorex E 120B,1400 HS(RH) | 1 | 273.29 | Lohia Corp Limited | Machine acquired via invoice dated October 12, 2022 |
| 2. | Circular Loom Model Nova 6-720(LF)(with WWW+ U/F+CTC | 6 | 50.31 | Lohia Corp Limited | Machine already Ordered via Purchase Order dated. Proforma |

| Sr. No. | Machine Name | Qty. | Total Cost (Rs. in Lakhs) | Vendor | Date of Quotation/Purchase Order/Invoice |
|---------|---|------|---------------------------|----------------------------------|---|
| | | | | | Invoice dated June 14, 2021 and Purchase Order dated January 17, 2022 |
| 3. | Circular Loom Model LSL 620 (HF) (with WWW +U/F +CTC | 2 | 27.12 | Lohia Corp Limited | Machine acquired via invoice dated November 19, 2022 |
| 4. | Circular Loom Model Nova 62 (HF) (with WWW +U/F +CTC | 10 | 138.12 | Lohia Corp Limited | Machine acquired via multiple invoices dated October 31, 2022 and November 03, 2022 |
| 5. | Circular Loom Model Nova 82 (HF) (with WWW +U/F +CTC+M.Winder | 3 | 82.93 | Lohia Corp Limited | Machine acquired via multiple invoices dated October 28, 2022 |
| 6. | Circular Loom Model LSL10 (HF) (with WWW +U/F +CTC+M. Winder | 1 | 32.07 | Lohia Corp Limited | Machine acquired via invoice dated November 18, 2022 |
| 7. | Filament/Cheese winder Model LFW 200CE Winder | 288 | 117.33 | Lohia Corp Limited | Machine acquired via invoice dated November 03, 2022 |
| 8. | Lamination Plant | 1 | 186.13 | JP Extrusiontech Private Limited | Quotation dated November 16, 2022 |
| 9. | R P Plant 1 to 1.50 Ton | 1 | 13.50 | Teknica Corporation | Quotation dated November 16, 2022 |
| | Sub-Total (1) | | 920.80 | | |
| | GST(18%) | | 165.74 | | |
| | Estimated packaging, transportation, loading, unloading and insurance costs | | 34.37 | | |
| | Total Cost of Plant & Machinery | | 1,120.92 | | |

The amounts disclosed above are inclusive of applicable taxes and GST. Additionally, there may be revision in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item. Our Promoters, Directors and Key Managerial Personnel do not have any interest in purchase of plant and machinery as above.

c) Miscellaneous Fixed Assets

Miscellaneous Fixed Assets required for the Proposed Project include Transformers, Cooling Tower, Chilling Plant, Air Compressor and Air Drying Unit, DG set, Stitching Machine, Fork Lift, Needle Loom, among others. The total estimated cost of miscellaneous fixed assets for the proposed Project is Rs. 569.64 lakhs. Our Company has received some of these assets and balance are to be acquired. The detailed list of miscellaneous fixed assets acquired / to be acquired by our Company is provided below:

| Sr. No. | Machine/ Equipment Name | Quantity | Total Cost | Vendor | Invoice / Quotation Date |
|---------|-------------------------|----------|------------|-----------------------------------|--|
| 1 | TRANSFORMER 1600 KVA | 1 | 29.63 | Uttam Bharat Electrical Pvt. Ltd. | Acquired via Delivery Note Dated August 18, 2022 |
| 2 | Chilling Plant 150 TR | 2 | 9.52 | Mohit Cooling Services | Acquired via Invoice Dated September 23, 2022 |

| Sr. No. | Machine/ Equipment Name | Quantity | Total Cost | Vendor | Invoice / Quotation Date |
|---------|---|----------|------------|---------------------------------------|---|
| 3 | Chiller 80.0 HP Water Cooled R134A | 2 | 52.51 | Mohit Cooling Services | Acquired via Invoice Dated September 23, 2022 |
| 4 | MAIN DISTRIBUTION PANEL WITH 400 KVAR APFC | 1 | 28.00 | GEW Electropower Project Pvt. Ltd. | Acquired via multiple invoices dated May 20, 2022, August 29, 2022, September 28, 2022 and October 06, 2022 |
| 5 | UTILITY PANEL | 1 | 2.03 | | |
| 6 | LOOMS PANEL | 1 | 2.42 | | |
| 7 | Earthing Work | 1 | 6.08 | | |
| 8 | VCM Panel | 1 | 4.60 | | |
| 9 | AIR COMPRESSOR | 3 | 20.06 | Techno Brain Engineering | Acquired via multiple invoices dated August 18, 2022 and October 06, 2022 |
| 10 | DG SET | 1 | 68.69 | Sudhir Power Ltd. | Quotation dated November 16, 2022 |
| 11 | HIGH TENSILE BLACK BOBBINS | 1,00,050 | 37.19 | ASE Exports Private Limited | Quotation dated November 18, 2022 |
| 12 | DOUBLE NEEDLE CHAIN STITCH SEWING MACHINE WITH STAND AND TABLE AND ELECTRIC CLUTCH MOTOR | 40 | 24.63 | Gabbar Engineering Works | Quotation dated November 18, 2022 |
| 13 | SINGLE NEEDLE PLAIN FEED FLAT BED DOUBLE THREAD OVERSEAMING (HIRACLE) SEWING MACHINE WITH STAND AND TABLE AND ELECTRIC CLUTCH MOTOR | 20 | 12.47 | | |
| 14 | SINGLE NEEDLE PLAIN FEED DOUBLE THREAD DOUBLE LOCKED CHAIN STITCH SEWING MACHINE WITH STAND AND TABLE AND ELECTRIC CLUTCH MOTOR | 20 | 12.47 | | |
| 15 | DOUBLE NEEDLE FOUR THREAD HIGH SPEED CHAIN STITCH SEWING MACHINE WITH ELECTRIC CLUTCH MOTOR | 4 | 2.95 | | |
| 16 | JUKI CIRCULER | 10 | 12.54 | Armstrong | Quotation dated November 16, 2022 |
| 17 | WATER SOFTENING PLANT | 1 | 4.13 | Rama Water & Solar Power Technologies | Acquired via Invoice Dated October 15, 2022 |
| 18 | FORK LIFT TRUCK | 1 | 10.61 | Kion India Private Limited | Acquired via Invoice Dated August 16, 2022 |
| 19 | FIBC JUMBO BAGS BALER | 1 | 18.88 | AIM Industries | Quotation dated November 16, 2022 |
| 20 | HIGH SPEED NEEDLE LOOM MACHINE SJN-4/75 | 3 | 18.90 | Susmatex Machinery | Quotation dated November 17, 2022 |

| Sr. No. | Machine/ Equipment Name | Quantity | Total Cost | Vendor | Invoice / Quotation Date |
|---------|---|----------|---------------|--|-----------------------------------|
| 21 | HIGH SPEED NEEDLE LOOM MACHINE SJN-6/50 | 4 | 26.67 | | |
| 22 | HIGH SPEED NEEDLE LOOM MACHINE SJN-4/100 | 1 | 7.50 | | |
| 23 | HIGH SPEED NEEDLE LOOM MACHINE SJN-8/30 | 1 | 4.64 | | |
| 24 | FIBC Jumbo Bag Cutting machie | 2 | 24.25 | Navrang Machinery Pvt. Ltd. | Quotation dated November 16, 2022 |
| 25 | Flexographic Printing Machine 3 Colour 62"x82" For FIBC Jumbo Bags | 1 | 18.69 | S Mark Engineers | Quotation dated November 16, 2022 |
| 26 | QUV - Gen 4 SOLAR EYE MODEL 220V, QUV Irradiance Smart Sensor, UV and Fluorescent UV Lamps | Various | 19.78 | Venture Instrumentation Technologies Private Limited | Quotation dated November 07, 2022 |
| 27 | YARN TWISTING MACHINE | 60 | 36.46 | Kristeel Shinwa Industries Limited | Quotation dated August 23, 2022 |
| 28 | BOBBIN TROLLY | 40 | 4.72 | To be procured from local vendors and open markets | Open Market |
| 29 | Voltas 1.5 Ton Interior AC | 10 | 4.20 | To be procured from local vendors and open markets | Open Market |
| 30 | SECURITY CAMERA SET UP | Various | 7.21 | To be procured from local vendors and open markets | Open Market |
| 31 | Other Miscellaneous Assets (incl. furniture, water coolers, computer, LED, fire safety equipments, photo copy machine, tank, etc.) and estimated freight, loading and unloading charges | | 37.21 | To be procured from local vendors and open markets | Open Market |
| | Total | | 569.64 | | |

The amounts disclosed above are inclusive of applicable taxes and GST. Additionally, there may be revision in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in purchase of miscellaneous fixed assets as above.

d) Electrification

Our Company has incurred total cost of Rs. 177.73 lakhs towards electrification of the proposed plant including laying of the dedicated power line, electrical fittings, cables and wiring, fan box, lighting, among others. Our Company had engaged a large number of vendors for electrification work. Following tables details out the name of the vendors and amount incurred:

| Sr. No. | Vendor Name | Total Amount including GST |
|---------|-----------------------------|----------------------------|
| 1 | A R ELECTO POWER PVT LTD | 15.97 |
| 2 | AEN, AVNL, BHATVAR, UDAIPUR | 12.24 |
| 3 | ARJUN GENERATORS | 0.48 |
| 4 | ASHISH BORWELLS | 0.80 |

| Sr. No. | Vendor Name | Total Amount including GST |
|---------|-------------------------------------|----------------------------|
| 5 | BHARAT BOREWELL | 0.68 |
| 6 | BURHANI ELECTRICALS | 3.17 |
| 7 | BURHANI STORE | 0.21 |
| 8 | FIBCORP POLYWEAVE PVT LTD | 0.25 |
| 9 | GOLDEN ELECTRIC STORE | 0.07 |
| 10 | HEX CABLE ACCESSORIES PVT. LTD. | 0.18 |
| 11 | INDUSTRIAL ELECTRICALS | 0.09 |
| 12 | JAI LAXMI TEADING CO. | 0.63 |
| 13 | KANCHAN ELECTRICALS | 1.37 |
| 14 | LAXMAN LILNI | 0.85 |
| 15 | MECH TECH INC. | 0.52 |
| 16 | NASHI ELECTRONICS | 0.01 |
| 17 | POWER CONTROL ELECTRICALS | 0.46 |
| 18 | ROSE CARGO & LOGISTICS SERVICE | 0.28 |
| 19 | SHASHI ELECTRICALS | 5.64 |
| 20 | SHREE NAKODA ELECTRICALS | 129.81 |
| 21 | SWASTIK ELECTRICAL & HARDWARE STORE | 0.05 |
| 22 | Other Local Vendors | 3.95 |
| | Total | 177.73 |

The amounts disclosed above are inclusive of applicable taxes and GST. Additionally, there may be revision in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item.

e) Electricity and Other Security Deposits

Our Company proposes to fulfill the power requirement for the proposed project via 11 KV HT Power Line from Ajmer Vidhyut Vitaran Nigam Limited (AVVNL). The connected load for the project will be 1,240 KVA while the operating load will be 750 KVA considering the diversity factor of 1.65. Our Company has provided security deposits aggregating to Rs. 6.27 lakhs for power and other purposes to various authorities and organisations.

f) Pre-operative Expenditure:

Our Company has incurred Pre-operative expenditure of Rs. 321.06 lakhs, detailed bifurcation which is as below:

| Particulars | Rs. in Lakhs |
|--|---------------|
| Personnel expenses | 146.25 |
| Financial expenses (incl. interest on loan) | 141.39 |
| Electric & power, fuel & lubricants, repairs & maintenance | 4.86 |
| Other expenses | 28.56 |
| Total | 321.06 |

g) Infrastructure facilities and utilities

• Water

- Total water requirement of the proposed unit is around 7,000 litres per day, which will be procured from underground water sources.
- The water collected will be stored in underground tanks and will be used for water requirements of boiler, cooling, workers / staff and for process water, besides irrigation of lawns and plantations.

• Power

- The Company proposes to purchase power via 11 KV HT Power line from Ajmer Vidhyut Vitaran Nigam Ltd [AVVNL].
- The connected load for the project will be 1240 KVA while the operating load will be 750 KVA considering the diversity factor of 1.65.
- In addition, the Company plans to install a 300 KVA High Performance IGBT/PWM based True-On-

Line Double Conversion Microprocessor Controlled UPS system for critical power backup.

- **Raw Materials**

- The basic raw materials to manufacture HDPE/PP/FIBC woven fabrics and sacks are HDPE, PP and master batches and pigments etc. These materials are easily available indigenously in abundance and there is no scarcity of the materials.
- The materials can however be imported and there are no restrictions whatsoever on these. As per the extant Import-Export Policy of India 2019-2024, these materials are not under negative list i.e. these can be imported freely.

- **Fuel**

- Diesel is proposed to be utilised as fuel for the proposed unit. It will be primarily used to feed the boiler, to operate fork-lifts and material handling equipments and to operate the DG Set.

Implementation Schedule

The proposed schedule of implementation as per the Detailed Project Report (DPR) dated April 19,2022 with the addendum to the Report dated November 23, 2022 issued by Keyur Shah & Co., Chartered Accountants, is as below:

| Particulars | Estimated Commencement | Estimated Completion |
|---------------------------------------|--|-----------------------------|
| Acquisition of Land* | Already acquired | - |
| Building | | |
| -Factory | Commenced in November, 2021 | Completed in November, 2022 |
| -Office and store room | Commenced in May, 2022 | December, 2022 |
| -Ancillary | Commenced in May, 2022 | December, 2022 |
| Plant & Machinery | | |
| -Placement of orders | Most of the machines have been acquired, as mentioned above. Orders for few machines to be placed. | December 2022 |
| -Arrival of machinery | | December 2022 |
| -Erection and installation | November 2022 | December 2022 |
| Miscellaneous Fixed Assets | | |
| -Placement of orders | Most of the machines have been acquired, as mentioned above. Orders for few machines to be placed. | December 2022 |
| -Arrival of machinery | | December 2022 |
| -Installation | November, 2021 | December 2022 |
| Power Connection | November, 2021 | Completed in July 2022 |
| Trial Production | November 2022 | December 2022 |
| Commencement of Commercial Production | December, 2022 | |

**Land was purchased on February 25, 2021 admeasuring over 16,000 sq. metres of land at Araji nob. 1164-1166, Village Modi, Tehsil Vallabhnagar, Udaipur (Raj.)-313602 land which was acquired by our Company out of unsecured loans obtained from our Holding Company and Corporate Promoter, Sat Industries Limited*

Government and other approvals

| Requirement | Authority | Status* |
|-----------------------|--|----------------|
| Consent to operate | Rajasthan Pollution Control Board | To be obtained |
| Factories Act License | Factories and Boilers Inspection Department, Government of Rajasthan | To be obtained |

***Note-** As per the Rajasthan MSME Act, a new enterprise and an enterprise set up or proposed to be set up by an existing enterprise for manufacturing products or providing services at a location which is separately identifiable and different from location of the existing enterprise, is exempted from obtaining certain licenses for a period of

three (3) years. We will apply for the requisite licenses before the expiry of the period of exemption which is September 2,2024.

2. *Repayment/Prepayment of certain secured and unsecured borrowings availed by our Company*

Our Company has availed Channel Financing Facility of upto Rs. 300.00 lakhs from Tata Capital Financial Services Limited via their Sanction Letter dated November 25, 2021. Our Company proposes to repay the aforementioned loan out of the Net Proceeds. As on November 18, 2022, our Company had outstanding loan of Rs. 197.33 lakhs towards the said facility, which is proposed to be repaid out of the Net Proceeds.

Additionally, Our Company has also availed unsecured loans from our Holding Company /Corporate Promoter i.e. Sat Industries Limited and DA Tradetech Private Limited on time to time which are repayable on demand, to meet the capital expenditure for the proposed Project as mentioned in previous part and for financing the acquisition of Fibcorp Polyweave Private Limited. As on November 18, 2022, our Company had outstanding indebtedness from the aforementioned entities aggregating to Rs. 1,985.00 lakhs as certified by the Statutory Auditor M/s HR Jain and Company, Chartered Accountants, vide their Certificate dated November 23,2022. Our Company proposes to repay Rs. 1,768.82 lakhs out of the Net Proceeds towards the outstanding loans of both the companies, as mentioned above. We trust that reducing our indebtedness will result in enhanced equity base, reduce our financial costs, improve our profitability, reduce our debt-equity ratio and improve our leverage capacity.

The details of the outstanding loans proposed for repayment, as mentioned in (a) and (b) above, from the Net Proceeds are set forth below:

| Sr. No. | Name of the Lender | Nature of Facility | Security, if any | Initial date of sanction/ date of amount received | Sanctioned amount (Rs. in lakhs) | Outstanding Amount as at November 18, 2022 (Rs. in lakhs) | Rate of Interest | Repayment Schedule, if any | Purpose of raising the loan | Repayment from the Net Proceeds of the Issue (Rs. in lakhs) | Pre-payment Clause (if any) |
|---|---|--------------------------|--|---|----------------------------------|---|------------------|---------------------------------|--|---|--|
| Borrowings of our Company proposed to be repaid/pre-paid out of the Net Proceeds | | | | | | | | | | | |
| 1. | Tata Capital Financial Services Limited | Channel Financing | Collateral 0.5x of the Sanction Amount | Initially sanctioned on September 26, 2018 and further renewed on November 25, 2021 | 300.00 | 197.33 | 10.00% | Repayable on Demand (Renewable) | Channel Financing | 197.33 | 4% of the Sanction Amount + Applicable GST |
| 2. | Sat Industries Limited | Loan repayable on demand | Unsecured | As and when required | NA | 965.00 | 12% | Repayable on Demand | Financing of the proposed Project and part financing of acquisition of Fibcorp Polyweave Private Limited | 748.82 | NA |
| 3. | DA Tradetech Pvt. Ltd. | Loan repayable on demand | Unsecured | As and when required | NA | 1,020.00 | 12% | Repayable on Demand | Part financing of Financing of the proposed Project | 1,020.00 | NA |
| | Total | | | | | 2,182.33 | | | | 1,966.15 | |

*CC= Cash Credit; WCTL= Working Capital Term Loan; FCTL= Foreign Currency Term Loan

In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, we have obtained a certificate dated December 13, 2022 from the Statutory Auditors M/s HR Jain and Company, Chartered Accountants, certifying that the borrowings have been utilised towards the purposes for which such borrowings were availed by us.

Such repayment will help reduce our outstanding indebtedness on a consolidated basis, reduce debt servicing costs, improve our debt to equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

In case we are unable to raise the Issue Proceeds till the due date for repayment of any of the above-mentioned portion of the loans, the funds earmarked for such repayment may be utilised for payment of future instalments of the above-mentioned loan or other loan for an amount not more than the amount mentioned above

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3. Funding the working capital requirements of our Company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth, financing from various banks and financial institutions and unsecured loans. For further details, please refer to the chapter titled “Financial Indebtedness” on page 195 of this Red Herring Prospectus.

The details of the Company’s working capital as at March 31, 2022, March 31, 2021 and March 31, 2020 and the source of funding, derived from the standalone audited financial statements of our Company, on the basis of Certificate dated November 23, 2022 issued by our Statutory Auditor M/s HR Jain and Company, Chartered Accountants, are provided in the table below:

(Rs. in lakhs)

| Particulars | Fiscal 2022 (Actual) | Fiscal 2021 (Actual) | Fiscal 2020 (Actual) |
|---|-------------------------|-------------------------|-------------------------|
| Current Assets | | | |
| (a) Inventories | 1,063.32 | 571.56 | 560.76 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 1,217.83 | 969.23 | 900.01 |
| (ii) Cash and bank balances | 128.15 | 194.30 | 104.32 |
| (iii) Bank Balances Other than (ii) above | 59.22 | 50.63 | 65.63 |
| (iv) Other Current Assets | 854.07 | 787.69 | 626.54 |
| Total Current Assets (A) | 3,322.59 | 2,573.41 | 2,257.26 |
| Current Liabilities | | | |
| (a) Trade Payables | 578.96 | 340.97 | 448.17 |
| (b) Other Current Liabilities | 110.73 | 164.25 | 85.56 |
| (c) Provisions | - | 4.32 | 5.35 |
| (d) Current Tax Liabilities (Net) | 96.33 | 17.66 | 0.44 |
| Total Current Liabilities (B) | 786.02 | 527.20 | 539.52 |
| Total Working capital Requirement (A-B) | 2,536.57 | 2,046.21 | 1,717.74 |
| Funding Pattern | | | |
| Working Capital Funding from Banks and Financial Institutions | 1,503.72 | 1,289.56 | 1,037.38 |
| Internal Accruals and Unsecured Loans | 1,032.85 | 756.65 | 680.36 |

Note- : Pursuant to the certificate dated November 23, 2022 issued by our Statutory Auditor M/s H.R. Jain and Company, Chartered Accountants,

For further details, please refer to “Other Financial Information” on page 174

Basis of estimation of working capital requirement

In light of the incremental business requirements, our Company requires additional working capital for funding its working capital requirements in the Fiscal 2023. On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated April 19, 2022 and November 25, 2022 has approved the business plan for the Fiscal 2023 and the proposed funding of such working capital requirements as set forth below:

(Rs. in lakhs)

| Particulars | Fiscal 2023 (Projected) |
|--|-------------------------|
| Current Assets | |
| Inventories: | |
| - Raw Material | 512.25 |
| - Work-in-progress | 424.33 |
| - Finished Goods | 354.26 |
| Trade Receivables | 2,420.36 |
| Cash and Bank Balances | 369.53 |
| Other Current Assets | 1,461.26 |
| Total Current Assets (A) | 5,541.99 |
| Current Liabilities | |
| Trade Payables | 613.82 |
| Other Current Liabilities and Provisions | 114.94 |
| Total Current Liabilities (B) | 728.76 |

| Particulars | Fiscal 2023 (Projected) |
|--|-------------------------|
| Total Working Capital Requirement (A-B) | 4,813.23 |
| Funding Pattern | |
| Borrowings from banks | 1,465.00 |
| Internal Accruals | 1,852.42 |
| Net Proceeds | 1,495.81 |

Assumptions for Holding Levels

(In days)

| Particulars | Holding Level for Fiscal 2020 (Actual) | Holding Level for Fiscal 2021 (Actual) | Holding Level for Fiscal 2022 (Actual) | Holding Level for Fiscal 2023 (Projected) |
|----------------------------|--|--|--|---|
| Current Assets | | | | |
| Raw materials | 15 | 23 | 16 | 26 |
| Work-in-Progress | 30 | 22 | 13 | 15 |
| Finished Goods | 7 | 10 | 12 | 15 |
| Trade Receivables | 66 | 63 | 58 | 90 |
| Current Liabilities | | | | |
| Trade Payables | 51 | 39 | 38 | 30 |

Justification for “Holding Period” levels

The justifications for the holding levels mentioned in the table above are provided below:

| | |
|----------------------|--|
| Inventories | <p>Raw Materials: Our Company has been holding raw material inventories for 15-23 days historically. As our proposed new plant commences commercial operations in Fiscal 2023, we have estimated to maintain higher level of raw material inventories of 26 days from estimated 16 days in Fiscal 2022.</p> <p>Work in Progress: Our Company has been holding WIP inventories for 13-30 days historically. However, as we increase our capacities through the proposed new plant we are expected to maintain slightly higher levels of WIP inventory given the estimated WIP days is 13 in Fiscal 2022 and further increased to 15 days in Fiscal 2023.</p> <p>Finished Goods: Being an order driven production Company, we have been holding finished goods inventories for 7-10 days historically and we are expected to continue this model going forward too and hence slightly higher FG holding period of 15 days have been assumed for the Fiscal 2023.</p> |
| Trade receivables | Our Company has assumed credit period of 90 days for trade receivables for the Fiscal 2023 up from 63-66 days historically and 58 days in Fiscal 2022. While assuming higher credit period we have taken into account the enhanced credit limit we would be required to provide to introduce and establish our new range of products in the markets from our proposed new plant which is expected to commence commercial operations in Fiscal 2023. |
| Trade Payables | Our Company has assumed credit period of 30 days in Fiscal 2023 to be obtained from the trade payables down from 39-51 days historically and 38 days in Fiscal 2022 as we have assumed that by paying our payables early, we would be able to obtain benefits of early payment discount which is expected to be significant as our quantity increases post commencement of commercial operations of our proposed new plant in Fiscal 2023. |
| Capacity Utilisation | Our Company has estimated capacity utilisation of 90% for woven sacks and 80% for FIBC in the Fiscal 2023. |

Our Company proposes to utilize Rs. 1,495.81 lakhs out of the Net Proceeds in the Fiscal 2023 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2023 will be arranged from internal accruals, networth and bank loans.

4. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to Rs. [●] Lakhs towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Issue, in compliance with SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- strategic initiatives
- brand building and strengthening of marketing activities; and
- ongoing general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately Rs. [●] Lakhs. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expense, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as under:

| Expenses* | Estimated expenses [#] (Rs. in Lakhs) | As a % of the total estimated Issue expenses ⁽¹⁾ | As a % of the total Gross Issue Proceeds ⁽¹⁾ |
|---|---|---|---|
| Fees payable to BRLM (including underwriting commission) | [●] | [●] | [●] |
| Advertising and marketing expenses | [●] | [●] | [●] |
| Fees payable to the Legal Advisors to the Issue | [●] | [●] | [●] |
| Fees to the Registrar to the Issue | [●] | [●] | [●] |
| Fees payable to the Regulators including stock exchanges | [●] | [●] | [●] |
| Printing and distribution of Issue stationary | [●] | [●] | [●] |
| Brokerage and selling commission payable to Syndicate ² | [●] | [●] | [●] |
| Brokerage and selling commission payable to Registered Brokers ³ | [●] | [●] | [●] |
| Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs ⁴ | [●] | [●] | [●] |
| Processing fees to Issuer banks for UPI Mechanism w.r.t application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to them ⁵ | [●] | [●] | [●] |
| Others (bankers to the Issue, auditor’s fees etc.) | [●] | [●] | [●] |
| Total Estimated Issue Expenses | [●] | [●] | [●] |

To be determined on finalization of the Issue Price and updated in the Prospectus prior to filing with the RoC.

For Sub-Syndicate Members, RTAs and CDPs

- Selling commission payable to the SCSBs on the portion for QIBs, RIBs and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

| | |
|---------------------------------------|--|
| Portion for QIBs | 0.35% of the Amount Allotted* (plus applicable taxes) |
| Portion for RIBs | 0.35% of the Amount Allotted* (plus applicable taxes) |
| Portion for Non-Institutional Bidders | 0.35 % of the Amount Allotted* (plus applicable taxes) |

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

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

No processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them.

Processing fees payable to the SCSBs on the portion for QIBs, RIB and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/CDPs and submitted to SCSB for blocking, would be as follows:

| | |
|---|--|
| Portion for QIBs, RIB and Non-Institutional Bidders | ₹ 10 per valid application (plus applicable taxes) |
|---|--|

Uploading/Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate(Broker)/Sub-broker code on the ASBA Form for Non-Institutional Bidders and Qualified Institutional Bidders with bids above ₹5,00,000 would be ₹10 plus applicable taxes, per valid application. In case the total ASBA processing charges payable to SCSBs exceeds Rs. 1.00 million, the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed Rs. 1.00 million

2. Selling commission on the portion for RIBs (up to ₹ 200,000) using the UPI mechanism, Non-Institutional Bidders, QIBs which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & company account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:

| | |
|---------------------------------------|--|
| Portion for QIBs | 0.35% of the Amount Allotted* (plus applicable taxes) |
| Portion for RIBs | 0.35% of the Amount Allotted* (plus applicable taxes) |
| Portion for Non-Institutional Bidders | 0.35 % of the Amount Allotted* (plus applicable taxes) |

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

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined:

- i. For RIBs & NIBs (up to Rs 5 lakhs) on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.
 - ii. For NIBs (Bids above Rs 5 lakhs) and QIBs on the basis of the Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the Syndicate / Sub Syndicate members and not the SCSB..
3. Uploading Charge/processing Charges:
 - i. payable to members of the Syndicate (including their sub-Syndicate Members), on the applications made using 3-in-1 accounts, would be: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate member (including their sub-Syndicate Members), In case the total processing charges payable under this head exceeds Rs. 1.00 million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed Rs. 1.00 million.)
 - ii. Bid Uploading charges payable to the SCSBs on the portion of QIB and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking and uploading would be: ₹ 10 per valid application (plus applicable taxes). In case the total processing charges payable under this head exceeds Rs. 1.00 million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed Rs. 1.00 million.)

The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

- iii. Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs (up to ₹ 200,000) procured through UPI Mechanism and QIBs and Non Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

| | |
|-------------------|--|
| Portion for RIBs* | ₹ 10 per valid application (plus applicable taxes) |
|-------------------|--|

| | |
|--|--|
| Portion for QIBs* | ₹ 10 per valid application (plus applicable taxes) |
| Portion for Non-Institutional Bidders* | ₹ 10 per valid application (plus applicable taxes) |

* Based on valid applications

In case the total processing charges payable under this head exceeds Rs. 1.00 million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed Rs. 1.00 million.)

4. *Uploading charges/ Processing fees for applications made by RIBs (up to ₹ 200,000) and Non-Institutional Bidders (for an amount more than ₹ 200,000 and up to ₹ 500,000) using the UPI Mechanism would be as under:*

| | |
|--|--|
| Members of the Syndicate / RTAs / CDPs (uploading charges) | ₹ 10 per valid application (plus applicable taxes) |
| Sponsor Bank-ICICI BANK (Processing fee) | ₹ 6.00 per valid application (plus applicable taxes) |
| | <i>The Sponsor bank shall be responsible for making payments to the third parties such as remitter company, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws</i> |

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Company Agreement.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the company accounts of investors (all categories). Accordingly, Syndicate / Sub-Syndicate Member shall not be able to Bid Application Form above Rs. 5 lakhs and the same Bid Application Form need to be submitted to SCSB for Blocking of the Fund and uploading on the Exchange Bidding Platform. To identify bids submitted by Syndicate / Sub-Syndicate Member to SCSB a special Bid-cum-application Form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / Sub-Syndicate Member along with SM Code & Broker Code mentioned on the Bid-cum Application Form to be eligible for Brokerage on allotment. However, such special Forms, if used for Retail Bids and NIB bids up to Rs. 5 lakhs will not be eligible for Brokerage.

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/CIR/P/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.

The Issue expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

Bridge Financing

We have not entered into any bridge finance arrangements that will be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance setting up of a manufacturing unit until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance setting up of a manufacturing unit will be repaid from the Net Proceeds of the Issue.

Interim Use of Funds

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

Monitoring Utilization of Funds

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than Rs. 10,000 lakhs. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts

that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges. The proceeds of the issue shall also be monitored by the Audit Committee till utilization of the proceeds. Pursuant to Regulation 32(5) of the Listing Regulations, our Company shall disclose to the Audit Committee the uses and applications of the Net Proceeds. Our Company shall prepare an annual statement of funds utilized for purposes other than those stated in this Red Herring Prospectus, certified by the statutory auditors of our Company and place it before the Audit Committee, as required under applicable laws. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. Further, in accordance with the Regulation 32(1) of the Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects of the Issue as stated above; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

For any investments in acquisitions or strategic partnership or any inorganic growth initiative, post IPO from the IPO proceeds, detailed disclosures of same shall be made in public domain at that time. We shall provide details / information / certifications obtained from statutory auditors on the utilization of the Net Proceeds to the Monitoring Agency.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Appraising agency

None of the objects of the Fresh Issue for which the Net Proceeds will be utilized have been appraised by any bank/ financial institution/any other agency.

Other Confirmations

The Net Proceeds from the Fresh Issue, as utilized for repayment of borrowings/loans, will not be directly/ indirectly routed to our Promoters, members of Promoter Group, person in control of our Company, our Directors, our Group Company and our associates, if any.. There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors and/or Key Managerial Personnel.

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BASIS FOR ISSUE PRICE

The Price Band/Issue Price will be determined by our Company in consultation with the Book Running Lead Manager, on the basis of an assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is Rs.10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to the sections titled “*Risk Factors*”, “*Financial Information*” “*Our Business*” and “*Management Discussion and Analysis*” on pages 26, 173, 126 and 177 respectively of this Red Herring Prospectus, to have a more informed view before making an investment decision..

QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the Issue Price are:

- (a) Diverse product portfolio with focus on quality;
- (b) Experienced management and dedicated employee base;
- (c) Diversified customer base across geographies and industries.

For further details, refer to heading “Our Competitive Strengths” under the chapter titled “*Our Business*” on page 127 of this Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the Restated Standalone and Consolidated Financial Information of the Company for the three months ended June 30, 2022 and for the Financial Years 2022, 2021 and 2020 prepared in accordance with Ind AS, the Companies Act, 2013 and restated in accordance with SEBI ICDR Regulations For details, refer section titled “*Financial Information*” on page 173 of the Red Herring Prospectus.

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

- (a) **Basic and Diluted Earnings per Share (“EPS”) at face value of Rs. 10 each, as adjusted for changes in capital:**

As per Restated Ind AS Financial Information:

| For the Year/Period ended | Basic and diluted EPS (Rs.) | Weight |
|--------------------------------------|-----------------------------|--------|
| March 31, 2022 | 2.81 | 3 |
| March 31, 2021 | 0.82 | 2 |
| March 31, 2020 | 0.19 | 1 |
| Weighted average | 1.71 | |
| Three months ended on June 30, 2022* | 0.80 | |

*Not Annualised

Note:-

- (A) *Basic Earnings per share = Net profit/ (loss) after tax for the year/period, as restated attributable to equity shareholders /Weighted average number of equity shares outstanding during the year/period.*
- (B) *Diluted Earnings per share = Net profit after tax for the year/period, as restated attributable to equity shareholders / Weighted average number of potential equity shares outstanding during the year/period.*
- (C) *Weighted average EPS = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal] / [Total of weights].*
- (D) *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.*
- (E) *Earnings per share calculations are in accordance with the notified Indian Accounting Standard 33 “Earnings per share”.*
- (F) *Basic and Diluted Earnings per Share above for the three months ended June 30, 2022 and financial year 2022 are based on the restated consolidated financial information while those for financial year 2021 and 2020 are based on the restated standalone financial information.*

- (b) **(Price to Earnings (P/E) ratio in relation to Price Band of Rs.[●] to Rs. [●] per Equity Share of face value of Rs. 10 each fully paid up**

| Particulars | P/E Ratio on Floor Price | P/E on Cap Price |
|---|--------------------------|------------------|
| P/E ratio based on Basic EPS for the financial year 2021-2022 | [●] | [●] |
| P/E ratio based on Diluted EPS for the financial year 2021-2022 | [●] | [●] |
| Industry Peer Group P/E ratio | | |
| Highest | | 21.20 |
| Lowest | | 7.17 |
| Average | | 14.00 |

Note-The highest and lowest industry P/E has been considered from the industry peer set provided later in this chapter. The industry average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this chapter. For further details, see “– Comparison of Accounting Ratios with Listed Industry Companies” on Note 5 of this chapter.

- (c) **Return on Net worth (RoNW)**

As per Restated Ind AS Financial Information:

| Year/Period ended | RoNW (%) | Weight |
|--------------------------------------|----------|--------|
| March 31, 2022 | 16.42% | 3 |
| March 31, 2021 | 6.33% | 2 |
| March 31, 2020 | 1.58% | 1 |
| Weighted average | 10.58% | |
| Three months ended on June 30, 2022* | 4.51% | |

**Not Annualized*

Notes:

- (A) *Return on Net Worth (%) = Net Profit after tax attributable to equity shareholders, as restated / Net worth as restated as at year end.*
- (B) *Weighted average RoNW = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*
- (C) *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 Standalone and Consolidated Financial Informations.*

- (d) **Net Asset Value (NAV) per Equity Share of Face Value of Rs. 10 each as per Restated Ind AS Financial Information:**

| Particulars | Rs. per Equity Share |
|--|----------------------|
| Net Asset Value per Equity Share as on March 31, 2022 | 17.09 |
| Net Asset Value per Equity Share as on June 30, 2022* | 17.79 |
| Net Asset Value per Equity Share after the Issue- At Floor Price | [●] |
| Net Asset Value per Equity Share after the Issue - At Cap Price | [●] |
| Issue Price per equity share | [●] |

**Not Annualized*

Notes:

- (A) *Issue Price per Equity Share will be determined on conclusion of the Book Building Process.*
- (B) *Net Asset Value Per Equity Share = Restated net worth, attributable to equity holders of the Company at the end of the year/period. / Number of equity shares outstanding as at the end of year/period.*

- (e) **Comparison of Accounting Ratios with Listed Industry Companies:**

| Name of the Company | Closing price on November 24, 2022 (₹) | Basic EPS | Diluted EPS | P/E Ratio | RONW (%) | NAV Rs. (per share) | Face Value Rs. (per share) | Market cap (Rs. in Lakhs) | Total Income (Rs. in Lakhs) |
|-----------------------------|--|-----------|-------------|-----------|----------|---------------------|----------------------------|---------------------------|-----------------------------|
| Sah Polymers Limited | [●]# | 2.81 | 2.81 | [●]# | 16.42% | 17.09 | 10.00 | [●]# | 8,123.45 |
| Peer-Group | | | | | | | | | |
| Rishi Techtex Limited | 27.95 | 1.78 | 1.78 | 15.67 | 4.46% | 39.76 | 10.00 | 2066 | 10,108.44 |
| Jumbo Bag Limited | 22.10 | 1.27 | 1.27 | 17.37 | 3.35% | 37.85 | 10.00 | 1851.00 | 13,113.80 |
| SMVD Poly Pack Limited | 15.10 | 2.11 | 2.11 | 7.17 | 6.01% | 46.41 | 10.00 | 1520 | 8,629.99 |
| EMMBI Industries Limited | 92.55 | 10.76 | 10.76 | 8.60 | 12.41% | 86.71 | 10.00 | 16372 | 43,572.60 |
| Commercial Syn Bags Limited | 328.15 | 15.48 | 14.64 | 21.20 | 17.32% | 85.22 | 10.00 | 43701 | 32,620.40 |

* Issue Price of our Company is considered as CMP.

**Source: www.bseindia.com, www.nseindia.com

#to be updated in the Prospectus

Notes:

- (iv) *Considering the nature, range of products/services, turnover and size of business of the Company, the peers are not strictly comparable. However, above Companies have been included for broad comparison.*
- (v) *The figures for Sah Polymers Limited are based on the Restated Consolidated and Standalone Financial Information for the year ended March 31, 2022.*
- (vi) *The figures for the peer group are sourced from the annual audited financial results for the year ended March 31, 2022 filed with both the stock exchanges on standalone and Consolidated basis.*
- (vii) *Current Market Price (CMP) is the closing price of the peer group scrip as on November 24, 2022 on BSE Ltd. and NSE Ltd.*
- (viii) *NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and other equity (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company.*
- (ix) *P/E Ratio for the peer has been computed based on the closing market capitalisation of respective peers as on November 04, 2022 as divided by the profit after tax for the financial year 2022.*
- (x) *RoNW is computed as net profit after tax, as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and other equity (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company.*
- (xi) *Sah Polymers Limited is a Book Built Issue and price band for the same shall be published 2 working days before opening of the Issue in English and Hindi national newspapers and one regional newspaper with wide circulation.*
- (xii) *The price band/floor price/Issue Price shall be determined by the company in consultation with the BRLM on the basis of assessment of market demand from investors for the equity shares by way of Book Building and is justified based on the above qualitative and quantitative parameters.*

For further details see section titled “Risk Factors” on page 26 of this Red Herring Prospectus and the financials of the Company including profitability and return ratios, as set out in the section titled “Financial Information” on page 173 and the Management Discussion and Analysis on Page 177 of this Red Herring Prospectus for a more informed view.

- (f) **Some of the key performance indicators which may form the basis for computing the Offer Price are as follows:** (Rs.in lakhs except percentages and ratios)

| Key Performance Indicators | 30-06-2022*# | 31-03-2022# | 31-03-2021# | 31-03-2020# |
|--|--------------|-------------|-------------|-------------|
| Revenue from Operations ⁽¹⁾ | 2,722.31 | 8,051.14 | 5,506.99 | 4,910.07 |
| Gross Profit ⁽²⁾ | 793.00 | 2,418.67 | 1,655.51 | 1,567.69 |
| Gross Margin ⁽³⁾ | 29.13% | 30.04% | 30.06% | 31.93% |
| EBITDA ⁽⁴⁾ | 236.04 | 773.40 | 329.71 | 261.31 |
| EBITDA Margin ⁽⁵⁾ | 8.67% | 9.61% | 5.99% | 5.32% |
| Profit After Tax for the Year / Period | 125.13 | 437.54 | 127.23 | 29.67 |
| PAT Margin ⁽⁶⁾ | 4.60% | 5.43% | 2.31% | 0.60% |
| ROE ⁽⁷⁾ | 4.51% | 16.42% | 6.33% | 1.58% |
| ROCE ⁽⁸⁾ | 0.04 | 0.14 | 0.10 | 0.09 |
| Net Debt/ EBITDA ⁽⁹⁾ | 1.19 | 1.15 | 0.69 | 0.55 |

*Not Annualised

As certified by M/s. H. R Jain & Co, Chartered Accountants vide their certificate dated December 13, 2022.

KPIs disclosed above has been approved by the Audit Committee of the Company in their meeting held on dated December 13, 2022

Explanation for the Key Performance Indicators

1. Revenue from operations: Revenue from operations represents the total turnover of the business as well as provides information regarding the year over year growth of our Company.
2. Gross Profit is calculated as revenues from operations less cost of goods sold.
3. Gross margin is calculated as revenue from operations less cost of goods sold divided by revenues from operations
4. EBITDA Means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation, and amortisation and impairment expense.
5. EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
6. PAT Margin is calculated as restated profit after tax for the year / period as a percentage of revenue from operations.
7. ROE is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by total equity (total equity excludes non-controlling interest). The ROE is not annualised for the three months ended June 30, 2022.
8. ROCE is calculated as EBITDA divided by capital employed. The ROCE is not annualised for three months ended June 30, 2022.
9. Net Debt/ EBITDA: Net Debt to EBITDA is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. It shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.

the above KPI's from March 2022 represents the consolidated figures post acquisition of 27,884 Equity Shares by way of transfer and 6000 equity shares by way of Rights issue constituting 51.01% of the equity Share Capital of Fibcorp Polyweave Private Limited on January 05, 2022. By virtue of the transaction Fibcorp Polyweave Private Limited has become our Subsidiary with effect from January 05, 2022

We shall continue to disclose these KPIs, on a quarterly basis, for a duration that is at least the later of (i) three years after the listing date; and (ii) the utilization of the issue proceeds disclosed in the objects of the issue section of the prospectus. We confirm that the ongoing KPIs would be certified by the statutory auditor of the Issuer Company. Further, for details on key performance indicators which are not considered for basis of Offer price, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Key Performance Indicators and Non-GAAP Financial Measures" on page 177

h) Comparison the Key Performance Indicators with our listed peers:

(Rs.in lakhs) (As on March 31, 2022)

| Key Performance Indicators | Sah Polymers Limited# | Peer-Group | | | | |
|----------------------------|-----------------------|-----------------------|-------------------|------------------------|--------------------------|---------------------------|
| | | Rishi Techtex Limited | Jumbo Bag Limited | SMVD Poly Pack Limited | EMMBI Industries Limited | Commercial Synbag Limited |
| Revenue from Operations | 8,051.14 | 10,085.75 | 13,056.50 | 8,624.13 | 43,562.20 | 32,158.0 |
| EBITDA ⁽¹⁾ | 773.40 | 634.89 | 983.92 | 306.55 | 4920.8 | 3487.65 |

| | | | | | | |
|--|--------|--------|--------|--------|----------|----------|
| EBITDA Margin ⁽²⁾ | 9.61% | 6.29 | 7.50 | 8.11 | 11.29 | 10.85% |
| Profit After Tax for the Year / Period | 437.54 | 131.85 | 106.09 | 104.63 | 1,903.30 | 1,818.28 |
| PAT Margin ⁽³⁾ | 5.43% | 1.30% | 0.81% | 1.21 | 4.37 | 5.65 |
| ROE ⁽⁴⁾ | 16.42% | 17.83% | 3.35% | 4.65 | 12.41 | 0.20% |
| ROCE ⁽⁵⁾ | 0.14 | 10.55% | 14% | 9.07 | 8.19 | 0.15 |
| Net Debt/ EBITDA ⁽⁶⁾ | 1.15 | 0.98 | 2.61 | 1.40 | 0.94 | 0.69 |

Source: Annual Reports of the respective companies / www.bseindia.com/www.nseindia.com # As certified by M/s. H. R Jain & Co, Chartered Accountants vide their certificate dated December 13, 2022.

KPIs disclosed above has been approved by the Audit Committee of the Company in their meeting held on dated December 13, 2022

Explanation for the Key Performance Indicators

1. EBITDA Means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation, and amortisation and impairment expense.
2. EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
3. PAT Margin is calculated as restated profit after tax for the year / period as a percentage of revenue from operations.
4. ROE is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by total equity (total equity excludes non-controlling interest).
5. ROCE is calculated as EBITDA divided by capital employed.
6. Net Debt/ EBITDA: Net Debt to EBITDA is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. It shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.

The Issue price is [●] times of the face value of the Equity Shares The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLM, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” on pages 26, 126, 177 and 173 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” on page 26 and you may lose all or part of your investment.

Past Transfer(s)/Allotment(s)

There have been no secondary sales/acquisitions of Equity Shares or any convertible securities equivalent to or exceeding 5% of the fully diluted paid-up share capital of the Company (calculated on the date of completion of the sale), whether in a single transaction or a group of transactions during the 18 months preceding the date of the Draft Red Herring Prospectus or this Red Herring Prospectus. The Company has not undertaken any primary/new issuance of Equity Shares or any convertible securities, whether in a single transaction or a group of transactions during the 18 months preceding the date of the Draft Red Herring Prospectus or this Red Herring Prospectus.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors,
Sah Polymers Limited
E-260-261, Mewar Industrial Area, Madri,
Udaipur-313003, Rajasthan, India,

Dear Sirs,

Sub: Statement of possible Tax Benefits (the 'Statement') available to Sah Polymers Limited and its shareholders under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ('the Regulations')

We refer to the proposed initial public offer ("IPO") of Sah Polymers Limited ("the Company"). We enclose herewith the statement showing the current position of special tax benefits available to the Company and to its Shareholders as per the provisions of the Income-tax Act 1961 (as amended by Finance Act, 2022) ("the Act"), as applicable to the Assessment Year 2023-24 relevant to the Financial Year 2022-23 for inclusion in this Draft Red Herring Prospectus /Prospectus ("Offer Documents") for the proposed IPO. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act, 1961 ("Act"). Hence the ability of the Company or its Shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions. The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the IPO. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement. We do not express any opinion or provide any assurance whether:

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

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the Offer Documents for the proposed IPO of equity shares which the Company intends to submit to the National Stock Exchange Limited, and, Bombay Stock Exchange Limited and other required regulators, if any, provided, that the below statement of limitation is included in the Offer Documents.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the Offer Documents for the proposed IPO of equity shares which the Company intends to submit to the SME platform of the National Stock Exchange Limited, and other required regulators, if any, provided, that the below statement of limitation is included in the Offer Documents.

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement. This statement has been prepared solely in connection with the proposed IPO of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the Issue).

For H R JAIN & CO.,
Chartered Accountants
Firm's Registration No. 000262C

Manoj Jain
Partner
Place of signature: Udaipur
Membership No.: 400459
Date: November 3, 2022
ICAI UDIN-22400459BCFMFG1230

Annexure

The information provided below sets out the possible special tax benefits available to the Company and its Shareholders under Income Tax Act, 1961 and Income Tax Rules, 1962 presently in force in India.

A. Special tax benefits available to the Company:

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

B. Special tax benefits available to Shareholders of the Company:

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

Note:

1. 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. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.

2. 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 participation in the scheme.

SECTION IV - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry Report is also available on the website of our Company at <https://sahpolymers.com/investor-relations/>.

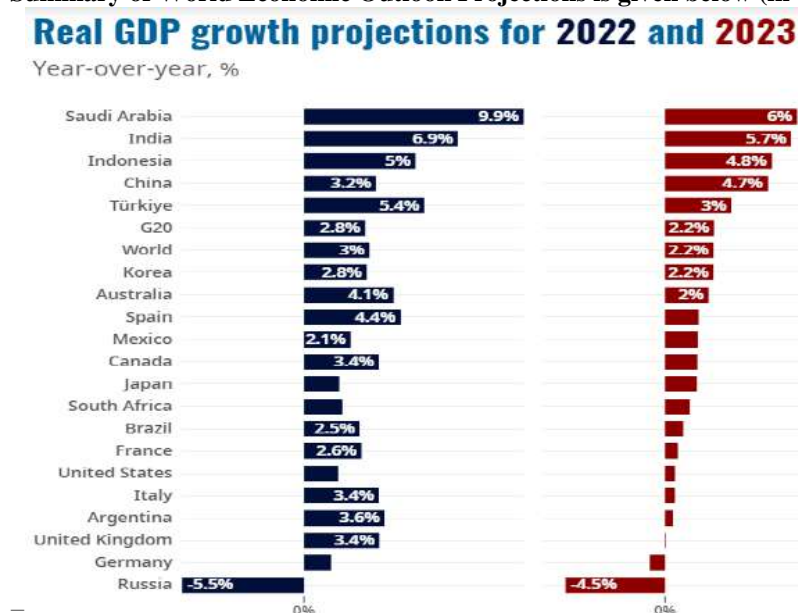
Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “*Risk Factors*” and “*Financial Statements*” and related notes on page 26 and 173 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.

The Global Economy

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia’s invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

(Source: *The International Monetary Fund, World Economic Outlook* dated October 11, 2022)

Summary of World Economic Outlook Projections is given below (in %):



Source: [OECD Economic Outlook, Interim Report September 2022](#)

The Indian Economy

Gross Domestic Product (GDP) is the sum of private consumption, gross investment in the economy, government investment, government spending and net foreign trade (difference between exports and imports). Sectorial GDP Growth is as under:

Gross value added (GVA) Indian Economy is the measure of the value of goods and services produced in an economy. GVA gives picture of supply side where as GDP represents consumption. Sector wise estimated contribution to GVA is provided below:

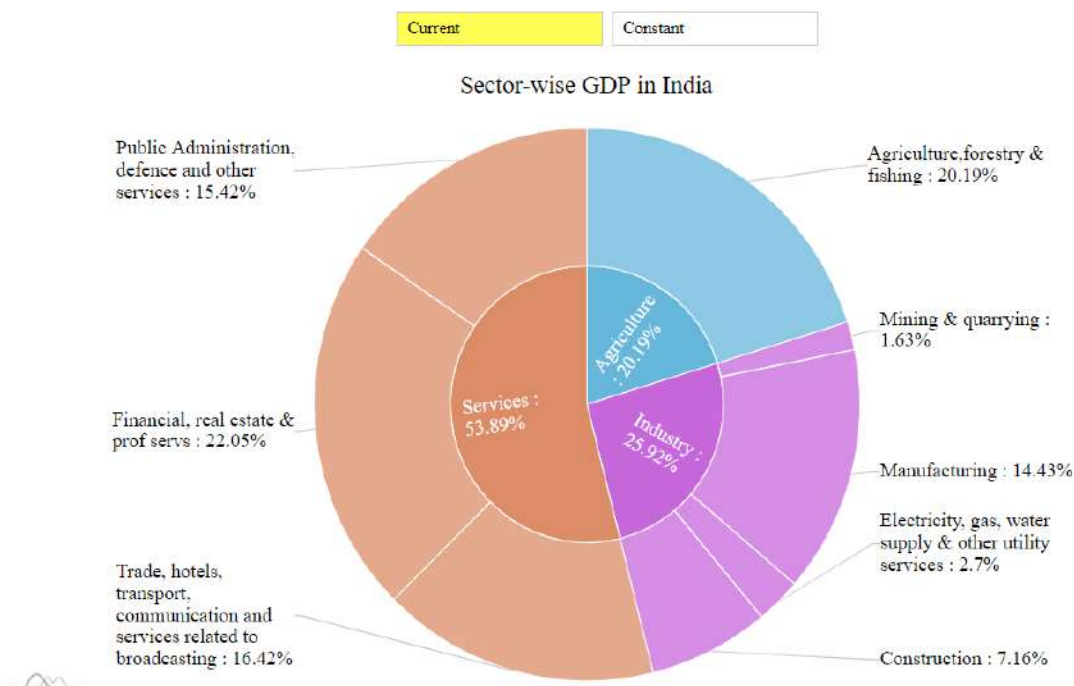
INDEX OF INDUSTRIAL PRODUCTION (Base 2011-12)

Annual indices of industrial production as per use-based classification

| Use-based category | Weight | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Primary goods | 34.0486 | 100.5 | 102.8 | 106.7 | 112.0 | 117.5 | 121.8 | 126.1 | 127.0 | 118.1 | 129.5 |
| Capital goods | 8.2230 | 100.3 | 96.6 | 95.5 | 98.4 | 101.5 | 105.6 | 108.4 | 93.3 | 75.9 | 88.7 |
| Intermediate goods | 17.2215 | 105.1 | 109.9 | 116.6 | 118.4 | 122.3 | 125.1 | 126.2 | 137.7 | 124.7 | 143.9 |
| Infrastructure/ construction goods | 12.3384 | 105.4 | 111.4 | 117.0 | 120.3 | 125.0 | 132.0 | 141.7 | 136.6 | 124.7 | 148.2 |
| Consumer durables | 12.8393 | 104.9 | 110.8 | 115.2 | 119.1 | 122.6 | 123.6 | 130.4 | 119.0 | 101.2 | 113.8 |
| Consumer non-durables | 15.3292 | 106.1 | 110.0 | 114.2 | 117.2 | 126.5 | 139.9 | 145.5 | 145.3 | 142.1 | 146.7 |

| Annual growth rates as per IIP (%) calculated w.r.t. previous year | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Use-based category | Weight | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Primary goods | 34.0486 | 0.5 | 2.3 | 3.8 | 5.0 | 4.9 | 3.7 | 3.5 | 0.7 | -7.0 | 9.7 |
| Capital goods | 8.2230 | 0.3 | -3.7 | -1.1 | 3.0 | 3.2 | 4.0 | 2.7 | -13.9 | -18.6 | 16.9 |
| Intermediate goods | 17.2215 | 5.1 | 4.6 | 6.1 | 1.5 | 3.3 | 2.3 | 0.9 | 9.1 | -9.4 | 15.4 |
| Infrastructure/ construction goods | 12.3384 | 5.4 | 5.7 | 5.0 | 2.8 | 3.9 | 5.6 | 7.3 | -3.6 | -8.7 | 18.8 |
| Consumer durables | 12.8393 | 4.9 | 5.6 | 4.0 | 3.4 | 2.9 | 0.8 | 5.5 | -8.7 | -15.0 | 12.5 |
| Consumer non-durables | 15.3292 | 6.1 | 3.7 | 3.8 | 2.6 | 7.9 | 10.6 | 4.0 | -0.1 | -2.2 | 3.2 |

(Source: <https://www.mospi.gov.in/web/mospi/download-tables-data/reports/view/templateFour/23802?q=TBDCAT>)



(Source: Ministry of Statistics and Programme Implementation) (www.mospi.gov.in)

Industrial Growth

Industrial production in India increased 0.4 percent year-on-year in December of 2021, slowing from a downwardly revised 1.3 percent growth in November and missing market expectations of a 1.3 percent rise. It was the smallest gain in industrial output since February as production slowed for mining (2.6 percent vs 4.9 percent) and declined for manufacturing (-0.1 percent vs 0.4 percent). Meanwhile, output accelerated for electricity (2.8 percent vs 2.1 percent). On a monthly basis, industrial output expanded 7.5 percent compared to a 4.7 percent decline in November. Considering the April-December period of 2021, production expanded 15.2 percent year-on-year.

STATEMENT II: INDEX OF INDUSTRIAL PRODUCTION - (2-DIGIT LEVEL)
(Base: 2011-12=100)

| Industry code | Description | Weight | Index | | Cumulative Index | | Percentage growth # | |
|---------------|--|---------|--------|---------|------------------|---------|---------------------|------------------|
| | | | Dec'20 | Dec'21* | Apr-Dec' 2020-21 | 2021-22 | Dec'21* | Apr-Dec' 2021-22 |
| 10 | Manufacture of food products | 5.3025 | 149.1 | 149.9 | 113.4 | 121.6 | 0.5 | 7.2 |
| 11 | Manufacture of beverages | 1.0354 | 90.1 | 92.8 | 71.7 | 84.1 | 3.0 | 17.3 |
| 12 | Manufacture of tobacco products | 0.7985 | 98.1 | 103.5 | 76.1 | 85.8 | 5.5 | 12.7 |
| 13 | Manufacture of textiles | 3.2913 | 114.9 | 124.2 | 82.7 | 117.3 | 8.1 | 41.8 |
| 14 | Manufacture of wearing apparel | 1.3225 | 140.0 | 148.5 | 98.6 | 127.0 | 6.1 | 28.8 |
| 15 | Manufacture of leather and related products | 0.5021 | 121.9 | 112.3 | 93.0 | 100.5 | -7.9 | 8.1 |
| 16 | Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials | 0.1930 | 126.6 | 114.8 | 83.4 | 102.7 | -9.3 | 23.1 |
| 17 | Manufacture of paper and paper products | 0.8724 | 78.1 | 80.2 | 65.2 | 81.7 | 2.7 | 25.3 |
| 18 | Printing and reproduction of recorded media | 0.6798 | 83.0 | 83.2 | 63.4 | 70.2 | 0.2 | 10.7 |
| 19 | Manufacture of coke and refined petroleum products | 11.7749 | 125.0 | 129.4 | 106.7 | 118.1 | 3.5 | 10.7 |
| 20 | Manufacture of chemicals and chemical products | 7.8730 | 131.8 | 124.5 | 112.6 | 120.9 | -5.5 | 7.4 |
| 21 | Manufacture of pharmaceuticals, medicinal chemical and botanical products | 4.9810 | 239.9 | 235.7 | 219.1 | 227.9 | -1.8 | 4.0 |
| 22 | Manufacture of rubber and plastics products | 2.4222 | 112.8 | 101.9 | 91.9 | 103.5 | -9.7 | 12.6 |
| 23 | Manufacture of other non-metallic mineral products | 4.0853 | 122.6 | 132.5 | 97.4 | 121.5 | 8.1 | 24.7 |
| 24 | Manufacture of basic metals | 12.8043 | 181.7 | 184.7 | 141.0 | 173.3 | 1.7 | 22.9 |
| 25 | Manufacture of fabricated metal products, except machinery and equipment | 2.6549 | 99.0 | 93.2 | 72.2 | 84.3 | -5.9 | 16.8 |
| 26 | Manufacture of computer, electronic and optical products | 1.5704 | 138.8 | 189.4 | 117.2 | 138.7 | 36.5 | 18.3 |
| 27 | Manufacture of electrical equipment | 2.9983 | 131.6 | 111.3 | 86.8 | 107.4 | -15.6 | 23.7 |
| 28 | Manufacture of machinery and equipment n.e.c. | 4.7653 | 118.5 | 103.1 | 84.2 | 99.8 | -13.0 | 18.5 |
| 29 | Manufacture of motor vehicles, trailers and semi-trailers | 4.8573 | 103.2 | 98.6 | 71.7 | 91.6 | -4.5 | 27.8 |
| 30 | Manufacture of other transport equipment | 1.7763 | 121.1 | 107.4 | 103.0 | 112.1 | -11.3 | 8.8 |
| 31 | Manufacture of furniture | 0.1311 | 183.9 | 201.5 | 134.4 | 163.2 | 9.6 | 21.4 |
| 32 | Other manufacturing | 0.9415 | 76.7 | 103.1 | 54.5 | 90.0 | 34.4 | 65.1 |
| 05 | Mining | 14.3725 | 117.3 | 120.3 | 92.6 | 107.4 | 2.6 | 16.0 |
| 10-32 | Manufacturing | 77.6332 | 139.0 | 138.8 | 110.8 | 128.5 | -0.1 | 16.0 |
| 35 | Electricity | 7.9943 | 158.0 | 162.5 | 154.8 | 169.3 | 2.8 | 9.4 |
| | General Index | 100.00 | 137.4 | 138.0 | 111.7 | 128.7 | 0.4 | 15.2 |

* Figures for December 2021 are Quick Estimates.

#The growth rates over corresponding period of previous year are to be interpreted considering the unusual circumstances on account of COVID 19 pandemic since March 2020

(source: Ministry of Statistics and Programme Implementation (MOSPI)(www.mospi.gov.in)

As our Products are* manufactured out of different kinds of polymers, it is necessary to understand Petrochemical and Polymer industry in India as well.

PETROCHEMICALS

Petrochemicals are derived from various chemical compounds, mainly from hydrocarbons. These hydrocarbons are derived from crude oil and natural gas. Among the various fractions produced by distillation of crude oil, petroleum gases, naphtha, kerosene and gas oil are the main feed-stocks for the petrochemical industry. Ethane and natural gas liquids obtained from natural gas are the other important feedstocks used in the petrochemical industry. Olefins (Ethylene, Propylene & Butadiene) and Aromatics (Benzene, Toluene & Xylenes) are the major building blocks from which most petrochemicals are produced.

Petrochemical manufacturing involves manufacture of building blocks by cracking or reforming operation; conversion of building blocks into intermediates such as fibre intermediates (Acrylonitrile, Caprolactum, Dimethyl Terephthalate/Purified Terephthalic Acid, Mono Ethylene Glycol); precursors (Styrene, Ethylene Dichloride, Vinyl Chloride Monomer etc.) and other chemical intermediates; production of synthetic fibres, plastics, elastomers, other chemicals and processing of plastics to produce consumer and industrial products.

POLYMERS

Polymers account for around 70% of petrochemicals and that is the reason that they are the most important constituent of the Indian chemical industry. Polymers are essentially used in the manufacture of various plastic products. Polymers find major applications in packaging for preservation of food articles, molded industrial and home appliances, furniture, extruded pipes etc.

PERFORMANCE OF THE POLYMER INDUSTRY IN INDIA

The Polymers Market size is expected to reach US\$790 billion by 2027, after growing at a CAGR of 5.5% during the forecast period 2022-2027. Polymers are a broad range of materials produced from small molecules called monomers. They form a long chain after bonding. Plastics are also referred to as polymers as these are manufactured using polymers. Polymers can be classified into natural polymers, semi-synthetic polymers and synthetic polymers. Based on structure, polymers can be categorized into linear polymers, cross-linked polymers and branched-chain polymers. These are extensively used in textiles, packaging, aircraft, bottles, trays, toys and many other applications. According to the US Bureau of Economic Analysis, the output of textile manufacturing in the US in 2019 was US\$18.79 billion which was 23.8% more than the numbers in 2009. Thus, the growth in such end-use industries is boosting its market growth.

(Source: <https://www.industryarc.com/Report/15010/polymers-market-in-india.html#:~:text=Polymers%20Market%20Overview,a%20long%20chain%20after%20bonding>)

The various by-products of polymers are:

- Polystyrene
- PVC
- Polypropylene
- LDPE/ LLDPE
- HDPE

The global polystyrene market size is expected to grow from \$28.46 billion in 2021 to \$30.77 billion in 2022 at a compound annual growth rate (CAGR) of 8.1%. The global polystyrene market size is expected to grow to \$38.49 billion in 2026 at a CAGR of 5.8%.

(Source <https://www.thebusinessresearchcompany.com/report/polystyrene-global-market-report>)

India Polystyrene market demand stood at 0.34 Million Tonnes in FY2021 and is forecast to reach 0.52 Million Tonnes by FY2030, growing at a healthy CAGR of 4.73% until FY2030.

(Source <https://www.researchandmarkets.com/reports/5028725/india-polystyrene-market-analysis-plant>)

Its market price is Rs. 104 per kg as of 2022. The major companies involved in the production of polystyrene are Rajasthan Polymers, McDowell & Co., and Supreme Petrochem. The total capacity of PVC in India is around 1640 KTA with Reliance Industries holding the maximum share in its production.

This segment has been growing at the rate of , growing at a healthy CAGR of 4.73% until FY2030.. Around 40% of PVC is used in the manufacturing of pipes and 14% is used in the production of cable sheathing. The cost of PVC is Rs 147/kg in 2022.

Polypropylene is a very lightweight polymer and that is the main reason why it is used as a substitute for various other polymers. India imported 217,030 shipments polypropylene in the year as of August 2022. The price of natural polypropylene is between 72-85 per kg while 63 per kg for non-woven polypropylene. It is mainly used in the manufacture of injection moulding, BOPP, ropes and twines.

In India, low-density polyethylene (LDPE) and linear low-density polyethylene (LLDPE) are also widely used polymers. India Low Density Polyethylene (LDPE) market demand stood at 0.83 Million Tonnes in FY2021 and is forecast to reach 1.64 Million Tonnes by FY2030, growing at a healthy CAGR of 7.86% until FY2030. India Linear Low-Density Polyethylene (LLDPE) demand stood at 2.0 Million Tonnes in FY2022 and is forecast to reach 3.70 Million Tonnes by FY2030, growing at a healthy CAGR of 8.20% until FY2030

(Source: <https://www.chemanalyst.com/industry-report/india-low-density-polyethylene-ldpe-market-71>)

More than 50% of LDPE/ LLDPE is used by the packaging industry and they are priced at Rs.92 Per kg in 2020. The companies which make LDPE/ LLDPE are Oswal, RIL, and IPCL. The second most used polymer in India is HDPE, with a share of 22%. The value of its domestic consumption is 2,123 crore and it is growing at the rate of 15% per year. HDPE is used in the manufacturing of raffia, blow moulding, injection moulding, and in the paper industry as well. The companies involved in the production of HDPE are NOCIL, RIL, and IPCL.

(Source : <https://business.mapsofindia.com/india-petroleum-industry/polymers.html>)

PACKAGING INDUSTRY

The India Packaging Market was valued at USD 50.5 billion in 2019, and it is expected to reach USD 204.81 billion by 2025, registering a CAGR of 26.7% during the period of 2020-2025. Packaging is among the high growth industries in India and developing @ 22-25% per annum and becoming a preferred hub for packaging industry. Currently the 5th largest sector of India's economy, the industry has reported steady growth over past several years and shows high potential for much expansion, particularly in the export market. Costs of processing and packaging food can be up to 40% lower than parts of Europe which, combined with India's resources of skilled labour, make it an attractive venue for investment. A high degree of potential exists for almost all user segments which are expanding appreciably - processed foods, hard and soft drinks, fruit and marine products.

The Indian packaging industry has made a mark with its exports that comprise flattened cans, printed sheets and components, crown cork, lug caps, plastic film laminates, craft paper, paper board and packaging machinery, while the imports include tinsplate, coating and lining compounds and others. In India, the fastest growing packaging segments are laminates and flexible packaging, especially PET and woven sacks. Over the last few years Packaging Industry is an important sector driving technology and innovation growth in the country and adding value to the various manufacturing sectors including agriculture and FMCG segments.

The global packaging industry is developing and expanding day by day and Indian packaging industry is also growing rapidly. This growth is primarily driven by factors like growing pharmaceutical, food processing, manufacturing industry, FMCG, healthcare sector and ancillary in the emerging economies like China, India, Brazil, Russia and few other East European countries.

TRENDS



With advancement in technology and general awareness, the packaging sector in India is well poised as most of the raw materials for packaging are abundantly available in the country. Moreover, the per capita spending has increased tremendously, leading to changing rural markets and a growing middle class who demand the best of products. Various upgraded technologies are being used in industry such as aseptic packaging, retort packaging and biodegradable packaging to enhance the life of food product. Moreover, the plastic packaging market is expanding rapidly registering a growth of 20-25 per cent per annum and is valued at 6.8 million tons while the paper packaging industry stands at 7.6 million tons. The packaging industry is poised to grow rapidly led by the increasing use of innovative packaging equipment and the rising flexible packaging market.

In terms of packaging, the food packaging industry is one growth area that has seen the maximum number of innovations in terms of packaging and branding. Consumers want their food products to be hygienic, safe and at the same time to look attractive. When it comes to food packaging, MNCs have a very good ecosystem. They have a dedicated R&D house, which conducts various research-based experiments using the latest technologies, and are always innovating to ensure that the consumer is benefited. This development has led to healthy competition between our local manufacturers to deliver innovative products, and as a result, the entire ecosystem is gearing up for the change. Likewise, local manufacturers are now importing state-of-the-art machinery to ensure that the packaging is of the highest standards. If trends are anything to go by – seeing is believing! Consumers who have attended any packaging event of late would be able to identify with the above scenario. Packaging machines for labelling, bar coding and scanning, to metal and plastic packaging – every contraption is now available to local manufacturers.

(Source: <https://piai.org/packaging-sector.php>)

The materials used in Packaging are Paper and Board, Plastics, Aluminium, Glass, Tinplate, and Laminate. Packaging can be classified by use or by the type of end-products. Rigid and Flexible packaging are two most significant types of packaging in use today.

Types of Packaging

Table 1: Materials Used in Packaging

| Material | Packaging type | Preferred in applications |
|-------------------------------|--|---|
| Paper and board | Cartons, boxes, bags, wrappers | Light weight, lower cost, easy disposal and availability |
| Plastics | Cartons, bags, wrappers, pouches, bottles, containers, caps, pallets | Existing technology, light weight, corrosion resistance, versatility of use, attractive designing |
| Aluminium | Collapsible tube, foils, containers, cans, closures | Good barrier properties, grease proof, shrink proof, tasteless and odourless |
| Glass | Bottles, jars, jugs | Transparent, good strength, high rigidity, gas and water vapour barrier, chemically inert |
| Tinplate | Cans, containers, caps | Strength, good barrier properties, long shelf life, reusable, ease of recycling |
| Laminates (plastic and paper) | Pouches, films, tubes, bags | Strength, good barrier properties, grease resistance, heat seal property, attractive designing |

Sources: Journal of Indian Institute of Packaging, IMaCS Research

Figure 4: Types of Packaging



Sources: IMAcS Research

(Source: https://www.ibef.org/download/Flexible_Packaging060112.pdf)

Flexible packaging is lightweight bags or pouches sealed using heat or pressure. For example, stand up pouches with a ziplock, laminated tubes, vacuum pouches, etc. In keeping with the name, flexible packs can be modified or customized with ease. They are manufactured at low costs but offer minimal protection from compression or perforation.

Rigid packaging is at the other end of the spectrum. Packs with rigid designs usually include tin cans, cardboard or plastic boxes, or glass containers. For example, aerosol spray cans, soda cans, self-locking cartons, bottles, jars, and so on. They are heavier, more expensive than their flexible counterparts, and offer better protection.

Flexible Packaging Vs Rigid Packaging

Both flexible and rigid packaging have a wide range of uses in the present packaging industry. They have exclusive, as well as overlapping areas of application. The differences, however, lie in construction, durability, customizability, and pliability.

1. Weight and Size of Packaging

When it comes to the weight of the packaging, rigid packaging is heavier than flexible packaging. That's because rigid packaging is often made from denser and thicker materials. For example, paperboard boxes, tin cans, or glass bottles. Flexible packaging such as sealed pouches, on the other hand, uses lighter materials such as plastic or polypropylene.

The size of the packaging depends on the requirements. Rigid packages generally take up more space as they cannot be squeezed together when bundled. Rigid packaging is meant to prevent the deformation of its inner contents. Flexible packages are flat, can bend easily or be bundled together to save space. This makes flexible kraft paper or poly mailers the go-to solutions to ship soft goods.

2. Durability and Barrier Properties

Rigid packaging better protects its contents. But, it's prone to external deformation. For example, the surface can be easily dented or scratched, damaging the surface or print. Flexible packaging does not dent or deform easily. Although such packs could be damaged during shipping if pierced by a sharp object, flexible packaging is less likely to be affected by cosmetic abrasion.

Fragile products are usually shipped using rigid packaging. Electronic items— such as computer processors, smartphones, cameras, televisions— come in rigid packaging coupled with protective packaging like styrofoam or air pillows. In all these cases, the cost of rigid packaging is often a very small fraction of the actual product cost.

Flexible packaging is often used in low-cost products in the food and cosmetics industry. Chips, biscuits, bread, milk, frozen food, sauces, creams – all come in flexible packaging.

3. Branding and Customization

Flexible packaging is easily customizable. You can choose from multiple printing methods to add any color or graphic that reflects your brand. Moreover, the shape and size of flexible packaging can be easily customized. This advantage lets you can come up with a unique design to make your product stand out on shelves.

Rigid packaging is difficult and comparatively expensive to customize. For example, when it comes to printing, designs have to be printed separately on paper and then pasted using adhesives adding to the cost. To stay sturdy, rigid packaging shapes can't be customized to a great extent either.

4. Environmental Impact

The environmental impact of packaging depends solely on the materials used. Rigid paperboard or corrugated cardboard boxes, flexible packaging made from low-density polyethylene (LDPE) or polypropylene (PP) can be easily recycled.

However, recycling becomes difficult when materials are mixed. For example, paperboard boxes are lined with plastic films or plastic pouches with metallic laminates.

(Sources: <https://www.bizongo.com/blog/flexible-packaging-vs-rigid-packaging>)

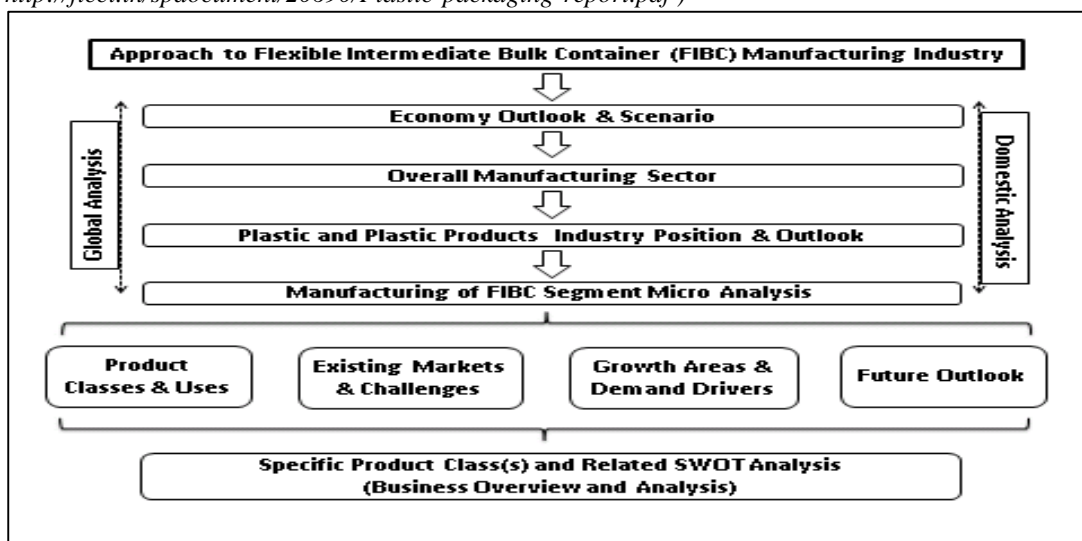
FLEXIBLE INTERMEDIATE BULK CONTAINER MANUFACTURING – INDUSTRY ANALYSIS

Analysis of Flexible Intermediate Bulk Container (FIBC) Manufacturing Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. FIBC manufacturing Industry forms part of Manufacturing Sector at a macro level. Hence, broad picture of Manufacturing Sector should be at preface while analysing the FIBC manufacturing industry.

Manufacturing sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Manufacturing sector is 'Plastic and Plastic Products Industry', which in turn encompasses various components one of them being 'FIBC Manufacturing Industry'.

Thus, FIBC manufacturing Industry should be analysed in the light of 'Plastic and Plastic Products Industry' at large. An appropriate view on FIBC manufacturing Industry, then, calls for the overall economy outlook, performance and expectations of Manufacturing Sector, position and outlook of Plastic and Plastic Products Industry and FIBC segment micro analysis.

(Source: *Plastic Packaging – The Sustainable Choice Federation Of Indian Chambers of Commerce and Industry* <http://ficci.in/spdocument/20690/Plastic-packaging-report.pdf>)



This Approach Note is developed by Pantomath Capital Advisors (P) Ltd ('Pantomath') and any unauthorized reference or use of this Note, whether in the context of Packaging Industry and / or any other industry, may entail legal consequences.

Market Analysis and Insights :

Global Flexible Intermediate Bulk Container Market

The global market for Flexible Intermediate Bulk Containers estimated at USD 6701.5 million in the year 2022, is projected to reach a revised size of USD 9109.7 million by 2028, growing at a CAGR of 5.3% during the forecast period 2022-2028. Data Bridge Market Research report on flexible intermediate bulk container market provides analysis and insights regarding the various factors expected to be prevalent throughout the forecast period while providing their impacts on the market's growth. The expansion of food and pharmaceutical industries is escalating the growth of flexible intermediate bulk container market.

Flexible intermediate bulk containers refer to type of bulk transporting packaging method that are made up of flexible and foldable fabric materials woven together. These containers are highly utilized in transportation, storage and protection of dry products and contents. These containers are known to be light weight, recyclable and environment friendly. These products have the capability of being transported with the assistance of pallets fitted below them that makes them easier to lift and handle.

The rise in the need of reducing overall weight of bulk packaging, growing food and pharmaceutical industries across the globe and expansion of manufacturing and construction sectors especially in the developing regions are the major factors driving the flexible intermediate bulk container market. The use of flexible intermediate bulk containers (FIBCs) in several end-use industries such as food, chemical, pharmaceutical, building and construction, mining, manufacturing, agricultural and waste handling among others, expansion of pharmaceuticals industry leading to high demand for FIBC and inclination towards these containers as they can be stored in a small space by folding and pressing multiple FIBCs together accelerate the flexible intermediate bulk container market growth. The capacity of flexible woven typically polypropylene (PP) to hold 500 kg to 2,000 kg of weight, the utilization of these products to store dry and flowable products such as grains, seeds, salts, chemicals, sands, clays and cement among others and the usage of these products to manage finished granules and small-size materials, raw and semi-finished in industrial premises influence the flexible intermediate bulk container market. Additionally, several benefits such as low costs, low weights, and are easy to handle, wide use in food and beverages, pharmaceuticals, agricultural and chemical industries and the adoption rate in bulk packaging positively affect the flexible intermediate bulk container market. Furthermore, technological advancement in the packaging components, technologies and application extend profitable opportunities to the flexible intermediate bulk container market players in the forecast period of 2021 to 2028.

On the other hand, the installation of specified liners done in through sewing it inside the fabric of the containers is expected to obstruct the flexible intermediate bulk container market growth. The container only being capable of used for a single type of material is projected to challenge the flexible intermediate bulk container market in the forecast period of 2021 to 2028.

This flexible intermediate bulk container market report provides details of new recent developments, trade regulations, import export analysis, production analysis, value chain optimization, market share, impact of domestic and localized market players, analyses opportunities in terms of emerging revenue pockets, changes in market regulations, strategic market growth analysis, market size, category market growths, application niches and dominance, product approvals, product launches, geographical expansions, technological innovations in the market. To gain more info on flexible intermediate bulk container market contact Data Bridge Market Research for an Analyst Brief, our team will help you take an informed market decision to achieve market growth.

Flexible Intermediate Bulk Container Market Scope and Size

The flexible intermediate bulk container market is segmented on the basis of grade and end-user. The growth amongst the different segments helps you in attaining the knowledge related to the different growth factors expected to be prevalent throughout the market and formulate different strategies to help identify core application areas and the difference in your target markets. On the basis of grade, the flexible intermediate bulk container market is segmented into type A, type B, type C, type D and food grade.

On the basis of end-user, the flexible intermediate bulk container market is segmented into pharmaceuticals, food, chemicals, construction, textiles, oil and glass and others.

(Source: <https://www.databridgemarketresearch.com/reports/global-flexible-intermediate-bulk-container-market>)

Future Outlook

Packaging is a one of the important business both in the India and globally. It is an unusual sector in that it cannot exist on its own. The nature of packaging is such that it is intertwined with many other industries, such as food & drink, personal care, pharmaceuticals, e-commerce, chemical etc. apart from this, plastic packaging such as HDPE/PP Woven sacks's demand is getting increasing gradually owing to lower cost, easy availability of the raw materials, transportation and strength.

According to the Packaging Industry Association of India, the India Packaging Market was valued at \$ 10.77 Bn in 2021 and is expected to reach \$ 15.69 bn by 2027, registering a CAGR of 6.63% during the forecast period of 2022-2027. Packaging is one of the high growth industries in India and is developing at 22-25% per annum and is becoming a preferred hub for the packaging industry.

The publisher has been monitoring the flexible packaging market in India and it is poised to grow by \$ 12.72 billion during 2021-2025, progressing at a CAGR of almost 11% during the forecast period.

With industries such as retail, FMCG, Pharmaceutical poised to grow at the rate of between 13%-23% in next 5 years i.e. FY 20 to FY 25, Packaging industry will witness the sharp growth.

(Source- <https://www.investindia.gov.in/sector/paper-packaging>)

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 19 of this Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 26 and 177 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year.

We have, in this Red Herring Prospectus, included various operational and financial performance indicators, some of which may not be derived from our Restated Financial Information, and may not have been subjected to an audit or review by our Statutory Auditor. For further information, see “Financial Information” on page 173 of this Red Herring Prospectus. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Restated Financial Information and other information relating to our business and operations included in this Red Herring Prospectus.

Unless otherwise indicated or the context otherwise requires, the financial information for the three months ended June 30, 2022 and Fiscal 2022, 2021 and 2020, included herein is derived from the Restated Financial Information, included in this Red Herring Prospectus. Unless otherwise indicated or the context otherwise requires, in this section, references to “we” or “us” mean Sah Polymers Limited. For further information relating to various defined terms used in our business operations, see “Definitions and Abbreviations” on page 1 of this Red Herring Prospectus.

Unless stated otherwise, industry and market data used in this section has been obtained or derived from publicly available information as well as industry publications and other sources. For more information, see “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 17 of this Red Herring Prospectus.

OVERVIEW

We are an ISO 9001:2015 certified company, primarily engaged in manufacturing and selling of Polypropylene (PP)/ High Density Polyethylene (HDPE) FIBC Bags, Woven Sacks, HDPE/PP woven fabrics, based products of different weight, sizes and colours as per customers specifications. We offer customised bulk packaging solutions to business-to-business (“B2B”) manufacturers catering to different industries such as Agro Pesticides Industry, Basic Drug Industry, Cement Industry, Chemical Industry, Fertilizer Industry, Food Products Industry, Textile Industry Ceramic Industry and Steel Industry. Besides, our Company is a Del Credere Associate cum Consignment Stockist (DCA/ CS) of Indian Oil Corporation Limited and also operates as Dealer Operated Polymer Warehouse (DOPW) of Indian Oil Corporation Limited for their polymer division. We enter into arrangements as third-party manufacturers to manufacture our tape and fabric based on customers’ requirements.

We have two business divisions (i) domestic sales; and (ii) exports. We have presence in 5 states and 1 union territory for our domestic market based on sales made for the three months ended June 30, 2022 and FY 2022, respectively. Internationally we export our products to 14 countries such as Algeria, Togo, Ghana, Poland, Portugal, France, Italy, Dominican Republic, USA, Australia, UAE, Palestine, UK and Ireland. For the three months ended June 30, 2022 and for Fiscals 2022, 2021 and 2020, our revenue from exports was Rs. 1558.22 lakhs, Rs. 4439.39 lakhs, Rs. 2752.39 lakhs, and Rs. 2491.88 lakhs contributed 57.61%, 55.14%, 49.98% and 50.75% respectively of our revenue from operations

Presently, we have one manufacturing facility with installed production capacity of 3960 m.t. p.a. located at Udaipur, Rajasthan. Over the years, we have made investments, from time to time, in our manufacturing infrastructure to support our product portfolio requirements and its reach. Furthermore, in line with our strategic expansion plans, we intend to use part of our Net Proceeds to establish a new facility with an additional installed capacity of 3960 m.t. p.a. to manufacture different variants of FIBC products. For details of our proposed manufacturing unit, please refer chapter titled “Objects of the Issue” on page 90 of the RHP. Our Company is promoted by SAT Industries Limited which is listed on BSE Ltd. and NSE Ltd.

Our Company is led by our Managing Director, Asad Daud, and our Whole Time Director, Hakim Sadiq Ali Tidiwala, who have a combined average experience of approximately about 20 years in the FIBC packaging

industry. Each of our Executive Directors are involved in the critical aspects of our business, including expansion, process and plant, finance, sales and marketing.

The following table sets forth a breakdown of our revenue from operations, as well as other key performance indicators, for the periods indicated:

(Rs.lakhs, except percentages)

| Key Performance Indicators | 30-06-2022*# | 31-03-2022# | 31-03-2021# | 31-03-2020# |
|--|--------------|-------------|-------------|-------------|
| Revenue from Operations | 2,722.31 | 8,051.14 | 5,506.99 | 4,910.07 |
| Gross Profit(1) | 793.00 | 2,418.67 | 1,655.51 | 1,567.69 |
| Gross Margin(2) | 29.13% | 30.04% | 30.06% | 31.93% |
| EBITDA(3) | 236.04 | 773.40 | 329.71 | 261.31 |
| EBITDA Margin(4) | 8.67% | 9.61% | 5.99% | 5.32% |
| Profit After Tax for the Year / Period | 125.13 | 437.54 | 127.23 | 29.67 |
| PAT Margin(5) | 4.60% | 5.43% | 2.31% | 0.60% |
| ROE(6) | 4.51% | 16.42% | 6.33% | 1.58% |
| ROCE(7) | 0.04 | 0.14 | 0.10 | 0.09 |
| Debt / Equity(8) | 1.19 | 1.15 | 0.69 | 0.55 |

*Not Annualised

As certified by M/s. H. R Jain & Co, Chartered Accountants vide their certificate dated December 13, 2022.

KPIs disclosed above has been approved by the Audit Committee of the Company in their meeting held on dated December 13, 2022

Notes:

(1) Gross Profit is calculated as revenues from operations less cost of goods sold.

(2) Gross margin is calculated as revenue from operations less cost of goods sold divided by revenues from operations

(3) EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation, and amortisation and impairment expense.

(4) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.

(5) PAT Margin is calculated as restated profit after tax for the year / period as a percentage of revenue from operations.

(6) ROE is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by total equity (total equity excludes non-controlling interest). The ROE is not annualised for the three months ended June 30, 2022.

(7) ROCE is calculated as EBITDA divided by capital employed .The ROCE is not annualised for three months ended June 30, 2022.

(8) Debt consist of total borrowings including short term and long term borrowings and equity excludes non-controlling interest. For further details on KPI please refer to chapter titled "Basis of Issue Price" on page 111 of the RHP.

Impact of Covid-19 on Our Business Operations

The pandemic outbreak has caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. The demand for our products is dependent on and directly affected by factors affecting industries where our products are supplied. During Lockdown the government through its various orders categorised packaging material industry as essential industry hence they were exempted from lockdown. However our manufacturing operations were shut down for 14 days and we were not majorly impacted. We were allowed to resume operations subject to certain adjustments in working patterns and limited workforce. Despite the impact of the COVID-19 pandemic, our revenue from operations for the three month ended June 30, 2022 and for Fiscals 2022 was Rs. 2722.31 lakhs and Rs. 8051.14 lakhs respectively. We continue to closely monitor the impact that COVID-19 may have on our business and results of operations. It is difficult for us to predict the impact that COVID-19 will have on us, our customers or suppliers in the future.

OUR STRENGTHS

We possess a number of competitive strengths, which enable us to successfully execute our business strategies, including the following:

Our Product portfolio

Our product mix has evolved over the past several years as we have entered into new product categories. Our product portfolio includes FIBC (Flexible Intermediate Bulk Containers), Container bag, PP woven Fabric & HDPE woven fabric, woven sacks, PP fabric, box bags, fabric rolls, bags for flexible packaging. We engage in manufacturing of products based on the orders of our customers to meet their requirements. We trust that maintaining a variety of products in our business provides us with an opportunity to cater to diverse needs of different customer segment. Our products undergo quality check at various levels of production to ensure that any quality defects or product errors are rectified on real time basis.

Customer base across geographies and industries

Our Company has a customer base across industries and geographies both at domestic and overseas. We follow B2B customer segment catering the packaging requirements of Agro Pesticides Industry, Basic Drug Industry, Cement Industry, Chemical Industry, Fertilizer Industry, Food Products Industry, Textile Industry, Ceramic Industry and Steel Industry. Further domestically we export our products to 14 countries such as Algeria, Togo, Ghana, Poland, Portugal, France, Italy, Dominican Republic, USA, Australia, UAE, Palestine, UK and Ireland. In addition to direct sales, domestically we also sell our products through commission agents and globally through overseas representatives and merchant exporter. Our customer base across various industries and at varied geographies reduces our dependence on any one industry or location and provides a natural hedge against market instability in a particular industry or location.

Our Management Team

Asad Daud, our Managing Director, and Hakim Sadiq Ali Tidiwala, Whole Time Director, has been instrumental in managing our expanding operations, implementing strategic marketing and business initiatives, and focusing on financial performance. Our management team has experience in key areas such as production, sales and marketing, and finance. In particular, they have led the process through which we have created value through operational growth, building brand recognition and loyalty and identified new business opportunities by diversifying the customer base. As of March 31, 2022, we are supported by 97 committed staff base on our payroll.

OUR BUSINESS STRATEGIES

Setting up a new manufacturing facility to widen our product portfolio and increase our capacity

To cater to the growing demand from our existing customers and to meet requirements of new customers, we intend to, and are in the process of, expanding our manufacturing capacities for existing products that we are in the process of developing and commercializing. To achieve these expanded capacities, we are in the preliminary stages of setting up new manufacturing facility for manufacturing of Flexible Intermediate Bulk Containers (FIBC) with an annual installed capacity of 3960 MT. We purchased the land on February 25, 2021 measuring over 16,000 sq. metres of land at Arajji nob. 1164-1166, Village Modi, Tehsil Vallabh Nagar, Udaipur (Raj.)-313602 for the proposed facility. This land acquired by our Company are out of unsecured loans obtained from our Holding Company/ Corporate Promoter, Sat Industries Limited. This shall help us cater to expand our customer base and increase our revenue from operations.

Increase our customer network in existing markets and enter new geographical markets

We aim to focus on deepening our penetration in our existing markets and thereby increase our domestic presence by expanding our customer network. At present, we sell our products in 5 states and 1 union territory in India and export our products to 14 countries. We aim to focus on increasing our customer base by exploring domestic and international markets. In the states and union territories, where we have a customer base and presence such as Haryana, Rajasthan, Punjab, Gujarat, Madhya Pradesh, Haryana and Daman and Diu, as per the sales made during three months ended June 30, 2022, we aim to deepen our penetration. We will therefore continue to grow our customer network in line with the growth of our business operations. The study analyses the issues pertaining to the growth of these three recyclable materials and their application across the different sectors of Indian manufacturing industry. We intend to capitalise on demand for Indian Packtech Industry (PI) and increase our presence. In this direction, we shall appoint, create local presence and explore geographies where we can begin our international operations in new geographies. Besides, we aim to focus on deepening our penetration in domestic presence by expanding our customer network. As a business strategy, we intend to expand our customer network in the untapped opportunities in these cities for us to capitalise to grow our business operations.

Carefully evaluate and pursue accretive acquisitions

Given the breadth of our product offering, and the scale of our manufacturing and customer network, we are positioned to grow inorganically within our industry. Furthermore, we have gained competitive advantage due to our recent acquisition of Fibcorp Polyweave Private Limited on January 5, 2022, which will leverage to generate incremental synergies. We intend to apply a selective and disciplined acquisition strategy that focuses on enhancing our scale, product diversity and geographic reach, while bolstering our financial performance through synergies and additional cash generation.

BUSINESS OPERATIONS

OUR PRODUCTS

A brief description of our key products are as follows:

| Sr. No | Type of the Product | Our Major Varieties | Application |
|--------|---|--|--|
| 1. | FIBC (Flexible intermediate bulk container) | <ul style="list-style-type: none"> Wide range of patterns. | End use in Construction Industry and Agriculture Industry |
| 2. | Container Bag | <ul style="list-style-type: none"> Varies from 20ft to 40ft Designed as per customer need. | End use in bulk packaging industry as packaging material. |
| 3. | Garden bags/wastage bags | <ul style="list-style-type: none"> Garden/wastage bags: U-panel, 4 panel, Circular, Tubular, Max 4 side 4 colors Heavy Duty Wastage Bags: 1/2 m³, 1 m³, 2m³ and 3 m³(color: white, green, blue and orange) | End used in Household and Waste management |
| 4. | Woven sacks | <ul style="list-style-type: none"> Box bags Sand bags Vale bags Bale bags Envelope bags Woven sack with liner Box bag with liner Box bags with lamination | Pack cement, fertilizer, food grain & seeds, sugar oilseeds, chemicals, bale covers, geo – textile, salt, para dropping packaging etc. |
| 5. | PP Fabric | <ul style="list-style-type: none"> Flat / circular PP (polypropylene) HDPE (High Density Polyethylene) | End use in packaging, sheltering and covering products |
| 6. | Ground covers | <ul style="list-style-type: none"> Width: 90 cms to 500 cms Fabric: 70 gsm to 200 gsm | End use in Agriculture and Horticulture Industry |
| 7. | Spiral tubing | <ul style="list-style-type: none"> Ranges from 30 cms to 152 cms Durability and unlimited size flexibility | End use in packaging industry |
| 8. | Box bags | <ul style="list-style-type: none"> Any size as demanded by customers | End use in Textile Industry |
| 9. | PP Woven fabric Rolls | <ul style="list-style-type: none"> Roll | End use in packaging, sheltering and covering products |

Note- We also sell woven Fabric, tape and wastage (generated at each stage are send for recycling or sold to other manufacturer.

Domestic and Export sales of our primary manufactured products

| Period of Reporting | Product | Domestic Sales (Amt. in lakh) | Export Sales (Amt. in lakh) | Total (Amt. in lakh) |
|---------------------|---------|-------------------------------|-----------------------------|----------------------|
| FY 2019-20 | Fabric | 328.53 | 1,365.33 | 1,693.86 |

| Period of Reporting | Product | Domestic Sales (Amt. in lakh) | Export Sales (Amt. in lakh) | Total (Amt. in lakh) |
|---------------------|--|-------------------------------|-----------------------------|----------------------|
| | Bag | 1,530.90 | 1,112.69 | 2,643.59 |
| | Others | 303.53 | 13.85 | 317.38 |
| | Total domestic and export sales | 2,162.96 | 2,491.88 | 4,654.84 |
| | % of total revenue from operations* | 44.05% | 50.75% | 94.80% |
| FY 2020-21 | Fabric | 234.74 | 1,059.66 | 1,294.40 |
| | Bag | 1,775.47 | 1,360.20 | 3,135.67 |
| | others | 742.67 | - | 742.67 |
| | Total domestic and export sales | 2,752.88 | 2,419.86 | 5,172.74 |
| | % of total revenue from operations* | 49.99% | 43.94% | 93.93% |
| FY 2021-22 | Fabric | 1055.91 | 630.90 | 1686.81 |
| | Bag | 2174.56 | 2539.77 | 4714.33 |
| | others | 867.96 | 0.00 | 867.96 |
| | Total domestic and export sales | 4098.43 | 3170.67 | 7269.1 |
| | % of total revenue from operations* | 56.38% | 43.61% | |
| June 30,2022 | Fabric | 379.08 | 82.44 | 461.52 |
| | Bag | 568.48 | 1146.54 | 1715.02 |
| | others | 436.02 | 0.00 | 436.02 |
| | Total domestic and export sales | 1383.58 | 1228.98 | 2612.56 |
| | % of total revenue from operations* | 52.95% | 47.04% | |

Note- We also sell wastage generated during manufacturing, tape, granules, yarn and tubes which is included in other products.

*Revenue of operations includes sale of manufactured and traded goods, Job work income, commission, interest income, export incentive and other operating income.

Segment wise revenue:

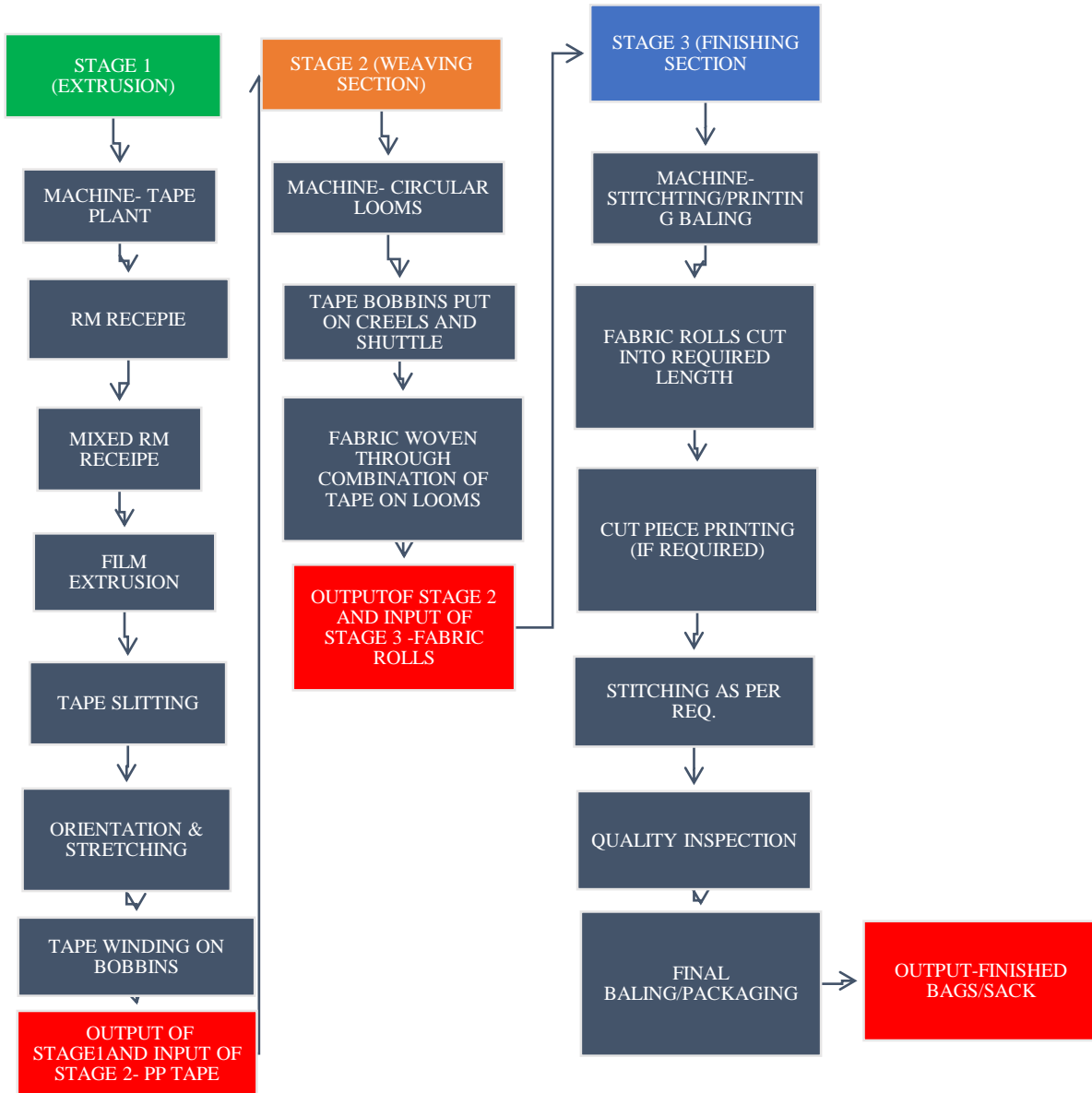
Our segment-wise revenue distribution of the Company (in % & Rs.) of three primary business segments of the Company, i.e., Manufacturing of Fabrics & Woven Sacks etc, Consignment Stockist and financing activities for last three financial years are as under:

(Rs. In Lakhs)

| Particulars | For the period ended 30-06-2022 | % of total revenue | For the year ended 31.03.2022 | % of total revenue | For the year ended 31.03.2021 | % of total revenue | For the year ended 31.03.2020 | % of total revenue |
|-------------------------------|---------------------------------|--------------------|-------------------------------|--------------------|-------------------------------|--------------------|-------------------------------|--------------------|
| (a) Manufactured Goods | 2,348.95 | 86.29 | 6,364.86 | 79.06 | 4504.48 | 81.80 | 4473.57 | 91.11 |
| (b) Traded Goods : | 331.57 | 12.18 | 1,347.50 | 16.74 | 668.26 | 12.13 | 181.27 | 3.69 |
| (c) Sale of services: | | | | | | | | |
| I) Job work | - | - | 64.25 | 0.80 | 129.23 | 2.35 | 21.55 | 0.44 |
| II) Commission –DCA | 20.12 | 0.74 | 76.27 | 0.95 | 75.85 | 1.38 | 80.39 | 1.64 |
| III) Market Research Services | - | - | 90.24 | 1.12 | - | - | - | - |
| IV) Lease Rent | - | - | - | - | 12.65 | 0.23 | 9.23 | 0.19 |
| (d) Interest Income(Business) | 21.67 | 0.80 | 108.02 | 1.34 | 67.60 | 1.23 | 75.90 | 1.55 |
| (e) Other Operating Income | | | | | | | | |

| | | | | | | | | |
|---------------------|-----------------|------------|-----------------|---------------|----------------|---------------|----------------|---------------|
| I) Export Incentive | - | - | - | - | 48.92 | 0.89 | 68.17 | 1.39 |
| | 2,722.31 | 100 | 8,051.14 | 100.00 | 5506.99 | 100.00 | 4910.07 | 100.00 |

OUR MANUFACTURING PROCESS



The manufacturing operations described through above diagram are explain as follows-

Mixing of raw material

Before the process of manufacturing bags starts, the mixing of raw materials is done with the use of machine called “mixer” and the proportion of raw material is decided by the supervisor depending upon the specification of the customer. The mixed material automatically goes to hopper of extruder with the help of suction blower.

Step 1:- Tape Extrusion process

The first step involves extrusion, where a mix of virgin ingredients are melted and shaped into tapes of specific measurements. The ingredients used in this process include polypropylene (PP) granules, small amount of calcium carbonate, ultraviolet inhibitors and possibly colour pigmentation. At this stage, the tensile durability of the tapes is determined. The tapes are loaded onto industrial bobbins in preparation for the weaving stage. The process of manufacturing PP woven bags involves mixing raw materials starting with PP or HDPE pellets and other additives, extruding the raw materials into a yarn PP resin is heated with feeler of CaCo3 and pigment, melted and extruded as a flat film. It is then slit into tape yarn by the slitting unit and stretched and annealed. Next, a take-up winder winds the heat oriented tape yarn onto a bobbin.

Step 2:- Weaving or Circular loom process

In this process, the tapes are pulled from bobbins with the help of weaving machines. The circular loom runs on a very high speed. The requirement of bobbins differ according to different shuttles and use of these shuttles depends on the type of fabric desired. These fabrics are in circular form and if required the fabric can be cut directly into sheet form by adding a blade at the end of machine from where the material is rolled on to the roller. The fabric is then rolled on a big roller and such rolled fabric can either be directly put on to the cutting machine or be laminated as per requirement of customer.

Step 3:- Lamination process

The main raw material required in this process is coating / lamination grade LDPE / LLPDE or PP. The fabric so produced can be laminated depending upon the requirement of customers. Our Company provides both, one side or two side laminations depending upon requirements of customers.

Step 4:- Cutting process

The fabric is cut according to the dimensions required by the customer. Cutting of fabric can be done at the time of rolling it on the roller or after lamination process. In this process the fabric in the rolled form is passed through cutting machine and measurements for cutting the roll or the sheets are inserted in the machine and the output is fabric sheets which can be used either in the printing process or directly in stitching process.

Step 5:- Printing process

Printing of graphics and its finishing makes the bag more attractive and demanding. Our Company has modern technology to print the graphics on the bags.

If the bag is in rolled form then printing can be done in the following manner: -

- Fabric roll is first placed on one side and sent into machine
- Requisite color and graphics are entered in to the machine
- Printing is done on the roll and again on the other side it is wrapped in roll form.
- Rolls are sent to next step i.e. stitching process after cutting them into desired lengths.

Step 6:- Webbing

Heavier polypropylene tapes along with multifilament thread are woven into webbing which forms the lift loops of the bulk bag. The handle pieces of bulk bags are made during this stage. Here, heavier tapes of polypropylene fabric are spun into webbing material. Strips of this material are then cut to precise measurements, which are determined by the size of the bags in production. These strips form the handles, or lifting loops, of each bag. On most bulk bags, the webbing strip lines the seams along each of the four sides, with handle loops above each end.

Step 7:- Sewing

Under this process the bags which are in the form of sheet or rolled form are stitched from bottom, side-ways and also if required loops are also attached which are normally referred as belts. These belts are made from special tapes. The belt is made with the help of needle loom, the fabric so processed is then used in the needle machine and rolls of belts are formed. These belt rolls are used in the process of stitching. Further filler cords or liner are also attached to FIBC, based on customer requirements.

Step 8:-Testing

Our Company focuses on quality and customer satisfaction to maintain long term relationship and to procure repeat orders. We have a testing department wherein the products undergo a check before the final dispatch. Further products are also checked at intermediate levels. The bags are inspected by a technically qualified person to ensure that it is safe to use. Once a line of bulk bags has been sewn together, each bag is inspected by quality control personnel. The purpose is to ensure each bag meets the required standards of strength and durability for a product line of bulk bags. If any bags are found to be insufficiently sewn, they are removed. Our Company take into consideration the standards laid down under the ISO certification. After the testing process the finished goods are sent to baling department.

Step 9:- Baling process

The baling of goods is done as per the specification of the customers. For baling of goods, our Company has hydraulic bail press machine of different capacities for packing small bags, FIBC etc. the process of which as follows: -

- The finished products are loaded in the machine
- Machine press the bags and squeeze it and it gets compressed
- The pressed bags are then offloaded and sent for packing

Step 10:- Storage and Dispatch

After the quality of products is tested and the testing department gives a final go ahead, the products are then dispatched with the help of fork lifters to a clean storage room. These fork lifters lift the packed goods which are loaded in the container for final dispatch.

Our Manufacturing Facility and Processing Unit

We currently have one ISO 9001:2015 accredited manufacturing facility and one processing unit in Udaipur, Rajasthan located over 8000 sq. mtr. and 1500 sq mtr. of land respectively. Our Manufacturing Facility is equipped with machineries and upgraded technologies relevant for the products manufactured by us. The location details of our manufacturing facility and processing unit are as under:

| Address | Area (Sq.Mtr.) | Leasehold/ Owned | Purpose |
|--|------------------------|---|--|
| E-260-261, Mewar, Industrial Area, Madri, Udaipur (Raj.)- 313003 | 8000 | Leased from Rajasthan State Industrial Development & Investment Corporation Limited | Manufacturing facility , registered office and processing Unit |
| G-260, IID Center, Kaladwas, Udaipur ,Rajasthan 313003 | 1500 | Leased from third party | |

Other Properties

We have one corporate office in 121, B-Wing, Mittal Tower, Nariman Point Mumbai -400021 Maharashtra owned by promoter group of our Corporate promoter viz. Aflex Iinvest Private Limited, which has issued NOC dated September 7, 2021 to use the said property as our corporate office.

We further propose to set –up a new manufacturing facility at Udaipur, Rajasthan on over 16,000 sq. mtr. located at Araji no. 1164-1166, Village Modi, Tehsil Vallabh Nagar, Udaipur (Raj.)– 313602 for manufacturing Flexible Intermediate Bulk Containers (FIBC) with an annual installed capacity of 3960 MT. We are currently in possession of the said land which was acquired by our Company out of unsecured loans obtained from our Holding Company and Corporate Promoter, Sat Industries Limited. For further details, regarding the cost of setting up the facility and other details regarding the facility proposed to be set up please refer the chapter titled “Objects of the Issue” on page 90 of this Red Herring Prospectus.

Procurement of Raw Materials

The primary raw material are low density polyethylene, high density polyethylene, PP resin, anti fab /calcium carbonate, UV stabilizers, colour master batch and pigments. While selecting suppliers, we take into consideration their product quality, price, reliability, delivery time and credit terms. The purchase price of our raw materials generally follows market prices. We usually do not enter into long-term supply contracts with any of our raw material suppliers. The raw material is purchased in the spot market on the basis of the rates offered by various suppliers. We also procure fabric from regional suppliers near our factory.

PP granules are majorly used in manufacturing of fabric whereas LDPE is used to manufacture liners. Liners are manufactured by processing LDPE in liner blown film plant, output of which is then sized as per customer's requirement in the form fit & sealing machine and then glued with the help of liner gluing machine. These liners can either be directly sold to the client or can be used as an intermediate product and used in finishing of FIBC, based on customer requirements. Liners are especially used in FIBC required to handle semi liquid products.

Production Capacity and Capacity Utilization

Information relating to our production capacities and the historical capacity utilization of our manufacturing facility included in this Red Herring Prospectus is based on various assumptions and estimates of our management that have been taken into account by the *H R Jain & Co., Chartered Accountants* dated November 5, 2022 in the calculation of our capacity. These assumptions and estimates include certain standard capacity calculation assumptions and estimates used in the FIBC and packaging industry, including those relating to the period during which the manufacturing facility operate in a year, availability of raw material, expected utilization levels, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. These assumptions and estimates may vary significantly from the assumptions or estimates taken into account by other FIBC and packaging industry manufacturing companies in calculating the estimated annual installed capacities of their manufacturing facility. As such, undue reliance should not be placed on the estimated annual installed capacity information of our facility. Actual production levels and utilization rates may differ significantly from the estimated annual installed capacities or the historical capacity utilization information of our manufacturing facility:

| Particulars | Units | March 31, 2020 | March 31, 2021 | March 31, 2022 | June 30, 2022* |
|----------------------------|-------|----------------|----------------|----------------|----------------|
| A. Looms Production | | | | | |
| Installed Capacity | KGS | 4123704 | 4429152 | 4429152 | 1107288 |
| Actual Production | KGS | 3815178 | 3304082 | 3717836 | 911094 |
| Capacity Utilisation | % | 92.52 | 74.60 | 83.94 | 82.28 |
| B. Tape Plant | | | | | |
| Installed Capacity | KGS | 4577760 | 4577760 | 4577760 | 1144440 |
| Actual Production | KGS | 3922077 | 3260479 | 3832524 | 1001898 |
| Capacity Utilisation | % | 85.68 | 71.22 | 83.72 | 87.54 |

*Not Annualised

Note:-

- (i) Capacity utilization has been calculated on the basis of actual production during the relevant fiscal year/ period divided by the aggregate installed capacity of relevant manufacturing facilities as of at the end of the relevant fiscal year/ period. In the case of capacity utilization for the three month ended June 30, 2022, the capacity utilization has been calculated by dividing the actual production for the period by 25% of the annualized installed capacity.
- (ii) The above information has been certified by *H R Jain & Co., Chartered Accountants*, by certificate dated November 5, 2022.

Pricing

We determine the prices for our products based on various parameters, including market demand, transportation costs, raw materials costs, inventory levels, credit terms and sometimes it is fixed for particular customer to maintain the relationship. Our sales and marketing team takes into consideration the margins of intermediaries at different stages, in accordance with market practice, and applicable taxes to arrive at the list price of our offerings.

UTILITIES

Power

Our manufacturing process requires uninterrupted supply of Electric & Power for our manufacturing facility. For the three months period ended June 30, 2022 Fiscals 2022, 2021 and 2020 for our electricity and power expenses were Rs. 85.48 lakhs, Rs. 313.88 lakhs, Rs. 292.13 lakhs and Rs. 321.94 lakhs respectively constituting 3.14%, 3.90%, 5.30% and 6.56% of our revenue from operations. We consume a substantial amount of power and fuel for our business operations. Our power requirements are met through state electricity boards. To meet exigencies in case of power failure, we have also installed two D.G. sets of 320 KVA and 750 KVA at our manufacturing unit which gives us the stand by to cover approximately 5% of the annual requirement.

Water

To meet drinking and sanitary water requirements at our manufacturing unit and processing unit, we utilise bore well and ground water supply. We utilise water supply from local authorities to meet water requirements for our corporate office.

Inventory Management

Our finished products and raw materials are mainly stored on-site at our manufacturing facility and processing unit at Udaipur. We produce finished products based on a combination of confirmed and expected orders.

Repair and maintenance

We conduct regular repair and maintenance programs for our manufacturing facility. Our machinery and electrical repair teams carry out, periodically, maintenance and repair of the plants and machinery on an as-needed basis.

Information technology

We trust that an appropriate information technology infrastructure is important in order to support the growth of our business. Our manufacturing facility, registered office and branch offices are connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and receivables from customers.

Quality Control

We place emphasis on quality control. We inspect the raw materials we receive, work-in-progress and final products. We have implemented internal procedures to ensure quality control at various stages of production, from procurement of raw material, production to inventory storage. Our manufacturing facility has personnel responsible for monitoring the parameters of equipment, technical parameters of materials, reporting any irregularities in the manufacturing process and making adjustments accordingly.

Logistics

We transport raw materials and finished products primarily by road in case of our domestic operations. Our suppliers directly deliver raw materials to our manufacturing facility. We outsource the delivery of our products to either third-party logistics companies or as mutually decided between the customer and our Company. For our export operations, we primarily rely on sea-freight and carry export our finished products from Mundhra Port in Gujarat and Nhava Sheva Port (Jawaharlal Nehru port) in Navi Mumbai, Maharashtra. The nature of shipment depends upon the terms associated with the customer order. The mode of transportation for a particular shipment include rail and road to deliver our products to our customers based on mutually agreed terms and conditions and on the urgency, size and value of the order.

Competition

We compete with large organised companies as well as smaller regionally based competitors. Some of our competitors may have greater resources than those available to us. While product quality, brand value, timely delivery, customer network, etc. are key factors in customer decisions among competitors, however, price and quality are the deciding factor in most cases. among listed companies of similar size and product portfolio in India, we face competition from Kanpur Plastipack Ltd., Rishi Techtex Ltd., Jumbo Bag Ltd., SMVD Polypack Ltd., EMMBI Industries Ltd. and Commercial Syn. Bags Ltd.

Customers, Sales and Marketing

As a manufacturer of industrial based product we cater to B2B segment. Our business operations and products primarily cater to the various customers based in the Agro Pesticides Industry, Basic Drug Industry, Cement Industry, Chemical Industry, Fertilizer Industry, Food Products Industry, Textile Industry, Ceramic Industry and Steel Industry. Our major customers are situated in the state of Rajasthan. Our marketing activities are for both the domestic and export market.

In domestic market, our Company mainly caters to end user industry and traders and in the export markets we deal with merchant exporters and commission agents. Our Company follows direct sales model and also sells through Commission Agents for domestic sales. Our Company follows direct sales model, through Commission Agents and merchant exports in the export market.

Our Company intends to focus on following marketing strategies:

- (i) Increased customer satisfaction
- (ii) Continuous follow-up with customers
- (iii) Develop new market and customers

We have an in-house team of 4 employees as on October 31, 2022 which looks after the sales and marketing of our products. Our in-house team work closely with our existing and prospective customers to understand their technical needs and specifications, evolving preferences and meet their requirements.

Human Resources

As of October 31, 2022, we had 94 employees. The following table sets forth information on the number of our staff in various departments of our business as of October 31, 2022.

| Functions | As on October 31, 2022 |
|-------------------------|------------------------|
| Compliance and Legal | 2 |
| Finance and Accounts | 6 |
| HR and Admin | 3 |
| IT and Data Entry | 2 |
| Service and maintenance | 15 |
| Purchase and production | 43 |
| Quality and RD | 2 |
| Sales and marketing | 4 |
| Stores and Dispatch | 8 |
| Others | 9 |
| TOTAL | 94 |

In addition, we contract with third-party manpower for contract labour for certain jobs at our manufacturing facility. The number of contract labourers varies from time to time based on the nature and extent of work.

Health, Safety and Certifications

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes and employee health and employee safety. For further information, see “Key Industry Regulations and Policies” on page 138 of this Red Herring Prospectus. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further information, see “Government and Other Statutory Approvals” on page 206 of this Red Herring Prospectus.

Insurance

Our operations are subject to various risks inherent in the Packaging Industry. We have obtained insurance in order to manage the risk of losses from potentially harmful events, including: (i) Burglary Standard Policy (ii) United Bharat Laghu Udyam Suraksh Policy (iii) United Bharat Sookshma Udyam Suraksh Policy (iv) Money Insurance Policy and (v) Marine Cargo Open Policy. These insurance policies

are renewed periodically to ensure that the coverage is adequate. We consider 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 we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. See “Risk Factors– Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and terrorism. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.” on page 54 of this Red Herring Prospectus.

| S r n o . | Policy Number | Period of Insurance | | Item Insured | Sum Insured | Premium |
|-----------------------|-------------------------|---------------------|------------|---|----------------|-------------|
| | | From | To | | | |
| 1 | 2905001221P113358049 | 23-03-2022 | 22-03-2023 | Stock of RM & FG & Semi FG | 125,00,000.00 | 8,850.00 |
| 2 | 2905001121P113357879 | 24-03-2022 | 23-03-2023 | Contents | 2725,00,000.00 | 4,32,157.00 |
| | | | | Building | 400,00,000.00 | |
| 3 | 2905001221P113357191 | 28-03-2022 | 27-03-2023 | Cash box | 58,00,000.00 | 3,621.00 |
| 4 | 2905001121P113356533 | 23-03-2022 | 22-03-2023 | Stock of all description | 125,00,000.00 | 17,280.00 |
| 5 | 2002/E/248137894/00/000 | 21-05-2022 | 21-05-2023 | Marine Cargo | 500,00,000.00 | 35,000.98 |
| 6 | 2001/256821516/00/000 | 05-09-2022 | 05-09-2023 | Raw material of plastic, semi finished, finished Goods, granules, HDPE/PP, WOVEN sacks fabric, Yarn similar trade goods product of all kinds Pertaining to insured manufacturing activity | 2000,00,000.00 | 47,201.00 |

Intellectual Property

As on the date of RHP, our Company has one Trademark registered in its name as under:

| Sl.No | Trade Mark | Type | Certificate Number | Class | Status |
|-------|---|------|---|-------|------------|
| 1 |  | Logo | Certificate no 2437552 and TM no. 4156338 | 16 | Registered |

We have also registered the domain name www.sahpolymers.com in India. We are not involved in any material intellectual property litigation or enforcement. Please refer to “Risk Factors – We may be unable to protect our intellectual property or knowhow from third party infringement and we may inadvertently infringe the intellectual property rights of others.” on page 62 of this Red Herring Prospectus.

Collaboration

As on date of this Red Herring Prospectus, our Company has not entered into any technical or financial collaboration agreements.

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Red Herring 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 Income Tax Act, 1961, 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.

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” on page 206 of this Red Herring Prospectus.

APPLICABLE LAWS AND REGULATIONS

BUSINESS/TRADE RELATED LAWS/REGULATIONS

Rajasthan Industrial Development Policy 2019

The Rajasthan Industrial Development Policy, 2019 has been prepared with a view to promoting inclusive, balanced, sustainable and eco-friendly industrial development, creating infrastructure and employment opportunities, promoting balanced regional industrial development to emerge Rajasthan as the most preferred investment destination with a robust eco-system.

Its missions are to develop and maintain industrial infrastructure, to offer competitive fiscal incentives, maximize potential of human capital of the State, special focus on ‘Backward’ and ‘Most Backward’ areas, to foster entrepreneurship and innovation, to promote industrial symbiosis and environmentally sustainable industrial development, to support technological upgradation of industry, to rationalize regulations and inspections, etc.

An autonomous body of exporters, Rajasthan Export Promotion Council (REPC), shall be constituted to create mechanism of facilitation across all sectors for providing policy and regulatory inputs, issues and challenges in exports and probable solutions.

The Legal Metrology Act, 2009

The Legal Metrology Act, 2009 (“L.M. Act”) governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Act also provides Legal Metrology (General) Rules, 2011, which may be followed for due compliance, if the respective State does not provide for Rules in this regard.

The Rajasthan Weights and Measures (Enforcement) Act, 1958

The Rajasthan Weights and Measures (Enforcement) Act, 1958 was introduced to provide for the enforcement of standard weights and measures and for matters connected therewith. The Act applies to the whole of the State of

Rajasthan. In exercise of the powers conferred by Section 42 of the The Rajasthan Weights and Measures (Enforcement) Act, 1958, the State Government introduced the Rajasthan Weights and Measures (Enforcement) Rules, 1959 which defines the secondary standards, working standards, inspection and verification of weights, etc.

The Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises Development Act, 2006 was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated 01st June, 2020 revising definition and criterion and the same has come into effect from 01st July, 2020. The notification revised the definitions 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 turnover does not exceed fifty crore rupees; “Medium enterprise”, where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees.

The Rajasthan Micro, Small & Medium Enterprise (Facilitation of Establishment and Operation) Act, 2019

The Rajasthan Micro, Small & Medium Enterprise (Facilitation of Establishment and Operation) Act, 2019 was enacted to provide exemption from certain approvals and inspections for establishment and operation of the micro, small and medium enterprises in Rajasthan and matters connected therewith or incidental thereto. The Act was enacted to promote inclusive economic growth and employment generation in the State and to address the specific needs of the MSME enterprises and promote entrepreneurship. The Act provides for exemptions to MSMEs to seek approvals under certain specific acts subject to the provisions of the Central Act. The Act applies to new MSME enterprises whose date of commencement of commercial operations is proposed on or after the date of promulgation of the Act i.e. March 04, 2019 and it also includes an enterprise set up or proposed to be set up by an existing enterprise for manufacturing products or providing services at a location which is separately identifiable and different from the location of the existing enterprise. On filing the Declaration of Intent and on being satisfied the Competent Authority issues the Acknowledgement certificate which is valid for a period of three years from the date of issuance of the certificate and after the expiry of the period the enterprise shall have to obtain required approvals within six months from the date of such expiry.

Bureau of Indian Standards Act, 2016 (the “BIS Act”)

BIS Act was notified on March 22, 2016 and came into effect from October 12, 2017. The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity. The BIS Act enables the Central Government to appoint any authority/agency, in addition to the BIS, to verify the conformity of products and services to a standard and issue certificate of conformity. Further, there is also a provision for repair or recall, including product liability of the products bearing standard mark but not conforming to the relevant Indian Standard.

EMPLOYMENT AND LABOUR LAWS

The Code on Wages, 2019

The Code on Wages, 2019 (The “Code”) seeks to amend, consolidate and regulate the laws relating to wage and bonus payments in all employments and matters connected therewith or incidental thereto and aims at providing equal remuneration to employees performing work of a similar nature in every industry, trade, business or manufacture. The Code received the assent of the Lok Sabha on July 30, 2019 and of the Rajya Sabha on August

2, 2019. Subsequently, the Code received presidential assent on 8th August 2019, and was notified by the Ministry of Law and Justice, Government of India on the same date. The Code subsumes and repeals the provisions of four statutes -- the Payment of Wages Act, 1936 which ensures that payment of wages to employees are disbursed on time and no undue deductions are made, the Minimum Wages Act, 1948 which enables fixing of minimum rates of wages in certain employments, the Payment of Bonus Act, 1965 which provides for payment of bonus to persons employed in certain establishments on the basis of profit or productivity, and the Equal Remuneration Act, 1976 which aims to mandate equal remuneration to prevent gender discrimination in employment matters. Further, the Ministry of Labour and Employment has also notified the Code on Wages (Central) Rules, 2020 under the Code.

The Code on Wages shall come into force on such date as may be prescribed by the Central Government by way of a notification of the Official Gazette. The Code in its entirety is yet to be notified ; however, certain provisions pertaining to the composition and duties of the Central Advisory Board as encompassed in Section 42, Section 67 and Section 69 of the Code have been brought into force by the Ministry of Labour and Employment vide Notification dated December 18, 2020.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”) has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

The Rajasthan Contract Labour (Regulation and Abolition) Rules, 1971 has been enacted to regulate the employment of contract labour and its abolition in certain circumstances in Rajasthan. It is applicable to every establishment in Rajasthan in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The Rules regulate the composition of a Board and setting up of Committees of the Board. It imposes obligation on the contractor in relation to establishment of canteens, rest rooms, drinking water, first aid boxes, payment of wages, etc.

Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees Provident Fund Scheme, 1952

The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“the EPF Act”) is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

The Employees Compensation Act, 1923

The Employees Compensation Act, 1923 (“EC Act”) (and the amendments thereof) provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are

separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death\ serious bodily injury.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees' Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

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.

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.

The Maternity Benefit (Amendment) Act, 2017 effective from 01st April, 2017 increased the maternity leave available to working women to 26 weeks with two surviving children and 12 weeks in case of more than two children. The Act also mandates crèches in offices with 50 or more employees and also facilitates work from home facilities.

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.

Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

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.

The Industrial Disputes (Rajasthan Amendment) Act, 2014 of the Rajasthan State Legislature received the assent of the President on the 30th Day of October, 2014. The Act was implemented to further amend the Industrial Disputes Act, 1947 in its application to the State of Rajasthan.

The Rajasthan Industrial Disputes Rules, 1958

The Rules came into force on 01st July, 1960 which regulate the investigation and settlement of industrial disputes in Rajasthan. The dispute is to be referred to the Secretary to the Government of Rajasthan Labour Department, Jaipur in a duly filled application form. The Rules also provide for appointment of Board, conciliation proceedings in public and non public utility service, fees and expenses, etc.

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.

FACORY LAWS

The Factories Act, 1948

The Factories Act defines a ‘factory’ to be any premises including the precincts thereof, on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories. The Factories

Act provides that the 'occupier' of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions.

Rajasthan Factories Rules, 1951

These Rules regulate the registration and grant or renewal of licenses to the factories set up in the State of Rajasthan (including Abu, Ajmer and Sunel Area). The rules state that an occupier shall not use any premises as a factory or carry on any manufacturing process in a factory unless a license has been issued in respect of such premises and is in force for the time being. The Rules also provide for health and safety measures, health of workers, working hours, compensation, leaves, establishment of a Safety Committee in every factory wherein more than 50 workers are ordinarily employed and which carry on operations declared to be dangerous under section 87 of the Factories Act, 1948.

Rajasthan Control of Industrial Major Accident Hazards Rules, 1991

The Rules regulate the major accidents involving loss of life inside or outside the site, or 10 or more injuries inside and/or one or more injuries outside or release of toxic chemicals or explosion or fire or spillage of hazardous chemicals resulting in on-site or off-site emergencies or damage to equipment leading to stoppage of process or adverse effects to the environment. These rules are supplementary to already notified Factories Act, 1948.

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 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.

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:

1. Conservation of Critical Environmental Resources
2. Intra-generational Equity: Livelihood Security for the Poor
3. Inter-generational Equity
4. Integration of Environmental Concerns in Economic and Social Development
5. Efficiency in Environmental Resource Use
6. Environmental Governance
7. Enhancement of resources for Environmental Conservation

Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act 1981 (-the Act) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 (-the Act) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

The Water (Prevention And Control Of Pollution) Cess Act, 1977 (“Water Pollution Cess Act”)

The Water Pollution Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries to augment the resources of the central pollution control board and state pollution control boards. The Water Pollution Cess Act also provides for a rebate to the extent of 25% of the cess payable, in favour of persons who, being liable to cess under the Water Pollution Cess Act, install any plant for the treatment of sewage or effluents. However, this rebate is not applicable to persons consuming water in excess of the maximum prescribed quantity or who fail to comply with the provisions of section 25 of the Water Act or who fail to adhere to standards laid down by the Central Government under the Environment Act.

INTELLECTUAL PROPERTY LEGISLATIONS

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

1. The Patents Act, 1970
2. Indian Copyright Act, 1957
3. The Trade Marks Act, 1999
4. 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.

FOREIGN TRADE LEGISLATIONS

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 and regulations thereunder

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 ascertainable at 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.

As laid down by the FEM 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 ("FEM 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 RBI, in exercise of its power under FEMA, has notified the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 which deals with exports, the declaration to be filed, the realization of export value, etc. The RBI amended these Regulations by introducing the Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2021 (the "Amendment Regulations") through a notification dated January 08th, 2021 to introduce certain exemptions related to the aviation sector through the Amendment Regulations. In exercise of the powers conferred by section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and consequent to the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019, the Reserve Bank has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instrument) Regulations, 2019 ("Principle Regulations") relating to mode of payment and reporting requirements for investment in India by a person resident outside India. The RBI has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) (Amendment) Regulations, 2020 whereby amendment has been made to Regulation 3.1 of the Principle Regulations which deals with the Mode of Payment and Remittance of sale proceeds in which Schedule II and Schedule VII was substituted. The RBI, also notified the Foreign Exchange Management (Foreign currency accounts by a person resident in India) Regulations, 2015 to regulate opening and maintenance of foreign currency accounts in and outside India by a person resident in India. The RBI passed a notification dated February 27th, 2019 amending the regulations by passing the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Amendment) Regulations, 2019 amending regulation applicable to authorized dealers.

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.

OTHER LAWS

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, 2013 and rules framed thereunder, tax related legislations and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated as a public limited company under the name and style of “Peacock Continental Limited” at Udaipur, Rajasthan, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 20, 1992 issued by the Registrar of Companies, Jaipur Rajasthan bearing number 17-06657 of 1992-93. We commenced commercial operations pursuant to a Certificate of Commencement of Business dated November 04, 1992. The name of our company was changed to “Sah Polymers Limited” pursuant to a special resolution passed in the Extra Ordinary General Meeting held on July 22, 1998. Consequent upon change of name a fresh Certificate of Incorporation dated July 24, 1998 was issued by Registrar of Companies, Jaipur, Rajasthan. The Corporate Identification Number of our company is U24201RJ1992PLC006657.

Daud Ali Dawood, Hatim Ali Dawood, Shabbir Hussain Dawood, Mohammad Hussain Dawood, Rashida Daud, Zuheda daud, Batool Daud were the initial subscribers to the Memorandum of Association. SAT Industries Limited is the promoter and holding Company of our Company. For further information, please refer to the chapter titled “*Capital Structure*” on Page 78 of this Red Herring Prospectus.

For information on our Company’s profile, activities, market, service, etc., market of each segment, capacity built-up, standing of our Company in comparison with competitors, with reference to its services, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled “*Our Business*”, “*Industry Overview*”, “*Restated Standalone and Consolidated Financial Informations*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*”, “*Government and Other Statutory Approvals*” on pages 126, 116, 173, 177, and 206 respectively of this Red Herring Prospectus.

Changes in the name of the Company

Except as disclosed below, there has been no change in the name of our Company since incorporation:

| Effective Date of Change | Details of Change | Reason(s) for change |
|--------------------------|--|--|
| July 24, 1998 | The name of our Company was changed from ‘Peacock Continental Limited’ to ‘Sah Polymers Limited’ | To align with and reflect the objects pursued by the company |

CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

At present, the Registered Office of our Company is situated at E-260-261 Mewar Industrial Area, Madri, Udaipur Rajasthan 313003. The details of the changes in the Registered Office of our Company are set forth below:

| From | To | Effective Date | Reasons |
|---|--|----------------|--|
| 74 Polo Ground, Udaipur- 313001 | 5/1, Old Fatehpura, Udaipur-313001, Rajasthan | 01.05.1997 | For ease of operations of the Company. |
| 5/1, Old Fatehpura, Udaipur-313001, Rajasthan | E-260-261 Mewar Industrial Area Madri Udaipur -313003, Rajasthan | 27.07.1998 | For ease of operations of the Company. |

KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

| Year | Events |
|------|---|
| 1992 | ‘Peacock Continental Limited’ started its journey to manufacture plastic goods as per the Object clause of MOA. |
| 1998 | Takeover of Assets, rights, comprising of land, building , plant and machinery etc. on going concern basis from Peacock Industries Limited pursuant to business Purchase agreement dated 23 rd July 1998. |
| | Change of name from Peacock Continental Limited to Sah Polymers Limited |
| | Transfer of erstwhile lease agreement of E-260-261 Mewar Industrial Area Madri Udaipur -313003, Rajasthan, with Rajasthan State Industrial Development & Investment Corporation Ltd. from Peacock Industries Limited to Sah Polymers Ltd. |

| Year | Events |
|------|--|
| 2015 | SAT industries Limited, listed on BSE Ltd. acquired 85,21,430 shares representing 54.63% of shareholding of our company from the shareholders viz. Lion Houseware Private Limited, Park Continental Limited and Sat Invest Pvt. Ltd. Thereafter Sat Industries Limited has been identified as our Corporate Promoter in certain Public filings of our Company. Our Company exported products to Poland amounting to Rs. 3,38,49,314.18 which constituted 7.96% of total turnover of about Rs. 42,54,92,555.87 |
| 2019 | Amalgamation of our wholly owned subsidiary, Sat E-Com Limited (SEL) with our Company under section 233 of the Companies Act, 2013, by Order number (02)/2020-21/753 dated 21/08/2020 of the Regional Director, North Western (RD-NW), Ministry of Corporate Affairs, Ahmedabad subject to all the necessary statutory / regulatory approvals. |
| 2022 | Acquisition of 33,884 equity shares aggregating to 51.01% of paid up capital of Fibcorp Polyweave Private Limited by way of transfer and rights issue pursuant to which it became our Subsidiary on January 05, 2022. |

KEY AWARDS, CERTIFICATIONS, ACCREDITATIONS AND RECOGNITIONS

| Year | Details |
|------|--|
| 2001 | Received Certificate of Import- Export Code (IEC) |
| 2012 | Received ISO 9001:2015 Certification Obtained registration under Secretariat for Industrial Assistance |
| 2017 | Received Star Export House Certificate |
| 2020 | Obtained Udyog Aadhar Memorandum/ Entrepreneurs Memorandum |
| 2022 | Obtained the Certificate of Membership for FIBCA (Flexible Intermediate Bulk Container Association) for the year 2022 |

For information on our Company's certifications and business related approvals please refer to chapter titled "Government and Other Statutory Approvals" on page 206 of this Red Herring Prospectus.

MAIN OBJECTS OF OUR COMPANY

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

1. To carry on the business of manufacturers of and dealers in plastic moulded goods of all kinds and for all purposes and in rubber and plastic tubes and tyres and in bottles, containers, tubes, thermowares, drums, crates, furniture, tanks, doors, windows, flaskwares, furnitures wrapping materials, foams rubber and plastic product, transmission belts and conveyors, and similar industrial articles, pipes, tubes, hoses, rubber containers and rubber lined vessels, tanks, equipments, pipes, and similar equipments, electric products, electronic product, shoe products and parts thereof, either rubber products and parts, toys, insulating materials and all other blown, moulded, formed, extruded, cleandered and dipped good and articles.

2. To carry on the business of manufacturers of processors, importers, buyers, sellers, stockiest, agents, distributors and dealers in all kinds of plastic materials of poly propylene films, bags, plastic Sutli, nylon fishing materials styrene, propylene, vinyl chloride, poly vinyl chloride polyethylene, polyolifines, vinyl acetate and copolymers of one or more of the above and / or other products, acrylics and polyesters, polycarbonates and polyethers and epoxy resins and compositions, P- F, U-F-and other thermosetting resins and moulding compositions nylon rilson and similar thermoplastics, moulding compositions including prefabricated sections and shapes, cellulosic plastics and other thermosetting and thermoplastic materials and plastic products and goods including poly vinyl chloride pipes, sheets, linings, conduit pipes and ancillary products, resins, high density and low density polythene products.

3. To render consultancy service in the manufacture of all kinds of rubber, plastics and moulded goods

AMENDMENTS TO THE MOA OF OUR COMPANY IN THE LAST TEN YEARS

The following changes have been made to our Memorandum of Association, in the last ten years from the date of filing of this Red Herring Prospectus:

| DATE OF EGM/AGM | AMENDMENTS |
|-----------------|------------|
|-----------------|------------|

| | |
|-------------------|--|
| October 11, 2011 | Clause V of the Memorandum of Association of our Company was amended to reflect consolidation in the share capital of our Company from (i) 5 equity share of Rs.2/- each into 1 equity share of Rs.. 10/-each the Existing Authorised Share capital is Rs. 11,00,00,000 consisting of 1,10,00,000 Equity shares of Rs. 10/- each. (ii) Insertion of new objects in the clause IIIC - Other Objects of the Memorandum of Association of the Company pursuant to provisions of section 17 and other applicable provisions, if any, of Companies Act, 1956.by inserting clauses 26 to 49 after the subclause 25 of clause of IIIC. |
| March 18, 2013 | Clause V of the Memorandum of Association of our Company was amended to reflect increase in the authorized share capital of our Company from Rs. 11,00,00,000 consisting of 1,10,00,000 Equity shares of Rs. 10/- each to Rs. 15,00,00,000 consisting of 1,50,00,000 Equity shares of Rs.10/- each |
| March 20, 2018 | Clause V of the Memorandum of Association of our Company was amended to reflect increase in the authorized share capital of our Company from Rs. 15,00,00,000 consisting of 1,50,00,000 Equity shares of Rs. 10/- each to Rs. 16,00,00,000 consisting of 1,60,00,000 Equity shares of Rs. 10/- each |
| May 31, 2013 | Alteration of the provisions of Memorandum of Association with respect to its objects and complied under Section (18)(1) of the Companies Act, 1956. |
| Not applicable* | Clause V of the Memorandum of Association of our Company was amended to reflect increase in the authorized share capital of our Company fromRs. 16,00,00,000 consisting of 1,60,00,000 Equity shares of Rs.10/- each (Amalgamation of Wholly owned Subsidiary) to Rs. 16,50,00,000 consisting of 1,65,00,000 Equity shares of Rs. 10/- each pursuant to the composite scheme of arrangement in the nature of amalgamation of Sah polymers limited (Holding Company) and Sat E-com limited, the wholly owned Subsidiary (“WOS”) and their respective shareholders and creditors resulting into amalgamation of WOS in the holding company |
| July 15, 2021 | (I) Clause V of the Memorandum of Association of our Company was amended to reflect increase in the authorized share capital of our Company from Rs. 16,50,00,000 consisting of 1,65,00,000 Equity shares of Rs. 10/- each to Rs. 25,00,00,000 consisting of 2,50,00,000 Equity shares of Rs. 10/- each. (II) The existing set of Memorandum of Association was altered pursuant to the provisions of Companies Act, 2013, rules and schedules therein vide special resolution passed at the Extra Ordinary General meeting held on 15/07/2021. |
| February 17, 2022 | Clause V of the Memorandum of Association of our Company was amended to reflect increase in the authorized share capital of our Company fromRs. 25,00,00,000 consisting of 2,50,00,000 Equity shares of Rs. 10/- each to Rs. 30,00,00,000 consisting of 3,00,00,000 Equity shares of Rs.10/- each |

**the increase in Authorised share capital is pursuant to the composite scheme of arrangement in the nature of amalgamation of Sah polymers Limited, Holding Company and Sat E-com limited, the wholly owned subsidiary (“WOS”) and their respective shareholders and creditors resulting into amalgamation of WOS in the holding company w.e.f. April 1, 2019 (effective pursuant to Order dated August 21, 2020 vide order No. (02)/2020-21/753)*

OUR HOLDING COMPANY

As on the date of this Red Herring Prospectus, except SAT Industries Limited , our company has no other holding company. For further details, including in relation to its nature of business and capital structure, see “*Our Promoter and Promoter Group*” on page 165 of this Red Herring Prospectus.

OUR SUBSIDIARY COMPANY

As on the date of this Red Herring Prospectus, except Fibcorp Polyweave Private Limited, our Company has no other subsidiary. For details, see “*Our Subsidiary*” on page 152 this Red Herring Prospectus.

JOINT VENTURES OF OUR COMPANY

We do not have any joint ventures as on the date of this Red Herring Prospectus.

DETAILS REGARDING MATERIAL ACQUISITIONS OR DIVESTMENTS OF BUSINESS/ UNDERTAKINGS, MERGERS, AMALGAMATIONS OR ANY REVALUATION OF ASSETS, IN THE LAST 10 YEARS

Except as disclosed below, our Company has not acquired any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets in last 10 years:

Amalgamation of our wholly owned subsidiary Sat E-Com Limited (SEL) under section 233 of the Companies Act, 2013.

The Board of Directors of our Company at their meeting held on November 18, 2019 and the shareholders and unsecured creditors of the Company at their respective meetings held on January 18, 2020, unanimously approved the proposal for the amalgamation of its wholly owned subsidiary, Sat E-Com Limited (SEL) to be amalgamated with our Company under section 230/ 233 of the Companies Act, 2013, subject to all the necessary statutory/regulatory approvals. The Scheme of Amalgamation ("The Scheme") for merger of SEL with the Company has been approved by the Regional Director, North Western (RD-NW), Ministry of Corporate Affairs, Ahmedabad under Section 233 of Chapter XV of the Companies Act, 2013 on August 21, 2020, the Scheme has become effective from appointed date i.e., 1 April 2019 and the effect thereof were been given in the Financials. As SEL was a wholly owned subsidiary of the Company, no consideration was payable pursuant to amalgamation of SEL with the Company. The entire business and the whole of the undertaking of SEL, as a going concern stands transferred to and vested in the Company with effect from April 01, 2019, being the Appointed Date of the Merger.

Acquisition of the Shares of Fibcorp Polyweave Private Limited

Our Company acquired 27,884 Equity Shares by way of transfer and 6000 equity shares by way of Rights issue constituting 51.01% of the equity Share Capital of Fibcorp Polyweave Private Limited on January 05, 2022. By virtue of the transaction Fibcorp Polyweave Private Limited has become our Subsidiary with effect from January 05, 2022.

DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY

Our company has not divested any of its business / undertaking in last 10 years from the date of this Red Herring Prospectus. However, our Promoter has divested its entire shareholding of 30.94% in Genext Students Private Limited pursuant to shareholder's agreement dated July 20, 2021 and September 26, 2022 between Navneet Tech Ventures Private Limited and Genext Students Private Limited and the existing shareholders. For further details, see "Our Promoter and Promoter Group" on page 165 of this Red Herring Prospectus

SHAREHOLDER'S AGREEMENTS

Our Company has not entered into any subsisting shareholders agreement as on date of filing of this Red Herring Prospectus. Further, none of the special rights available to the Promoters / Shareholders (except for nominee/nomination rights and information rights) would survive post listing of the Equity Shares of the Company, if any and same shall cease to exist or shall expire / waived off immediately before or on the date shares are allotted to public shareholders in IPO, without requiring any further action. Any special rights, post listing, if any shall be subject to approval of the Shareholders by way of a special resolution, in the first general meeting of the Company held post listing of the Equity Shares, wherein appropriate disclosure in this regard shall be given to shareholders.

Further our Company / Promoters / Shareholders, has not entered into any other inter-se agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed and that there are no other clauses / covenants which are adverse /pre judicial to the interest of the minority / public shareholders. There are no other agreements, deed of assignments, acquisition agreements, SHA, inter-se agreements, agreements of like nature other than disclosed in the RHP.

MATERIAL AGREEMENTS

There are no subsisting material agreements or contracts which have been entered into by our Company except as mentioned under the heading "Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years" of this chapter, prior to the date of this Red Herring Prospectus which are not in the ordinary course of business. There are no past instances of termination / modification / non-renewal of material agreements which have adversely impacted the business operations and financials of our Company.

TIME AND COST OVERUNS IN SETTING UP PROJECTS

As on the date of this Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company in respect of our business operations.

Lock-out and strikes

As on the date of this Red Herring Prospectus, there have been no lock-outs or strikes at any time in our Company.

Injunctions or restraining order against our Company

There are no injunctions or restraining orders against our Company.

STRATEGIC PARTNERS

As on the date of filing of this Red Herring Prospectus, our Company does not have any strategic partners.

FINANCIAL PARTNERS

Apart from the various arrangements with bankers, financial institutions and NBFCs which our Company undertake in the ordinary course of business, our Company does not have any other financial partners as on the date of this Red Herring Prospectus.

CAPACITY/FACILITY CREATION, LOCATION OF PLANTS

For details pertaining to capacity/ facility creation, location of plants, please see the chapter titled “*Our Business*” on page 126 of this Red Herring Prospectus..

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS

As on the date of this Red Herring Prospectus, no payment defaults or rescheduling have occurred in relation to any borrowings availed by our Company from any financial institutions or banks, nor have any such borrowings or loans been converted into Equity Shares. However, in response to the COVID-19 pandemic, we have availed borrowings under the Emergency Credit Line Guarantee Scheme 1.0 offered by the Government of India

LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY INTO NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS

For details of key products launched by our Company, entry into new geographies or exit from existing markets, see “*Our Business*” on page 126 of this Red Herring Prospectus.

AGREEMENTS WITH KEY MANAGERIAL PERSONNEL, DIRECTOR, PROMOTER PROMOTER GROUP, SHAREHOLDERS OR ANY OTHER EMPLOYEE

There are no agreements entered into by a Key Managerial Personnel or 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. Further, there are no profit sharing arrangements involving the Issuer, promoters, promoter group, directors and shareholders .

Guarantees given to third parties by a promoter offering its Equity Shares

This is fresh issue of Equity Shares. Accordingly, details of guarantees, if any, given by Promoters to third parties are not applicable and disclosed in this Red Herring Prospectus.

OUR SUBSIDIARY

As on the date of this Red Herring Prospectus, our Company has one subsidiary, being Fibcorp Polyweave Private Limited. We do not have any joint venture or Associate Companies.

Our Subsidiary

Fibcorp Polyweave Private Limited.

Corporate Information

Fibcorp Polyweave Private Limited has been incorporated as a private limited company on July 31, 2017, by passing Board Resolution dated July 01, 2022 the Company has changed its registered office from 9-10 B Saheli Marg Udaipur Rajasthan to E-260-261, Mewar Industrial Area, Madri- 313003, Udaipur Rajasthan. Its Corporate Identification Number is U17309RJ2017PTC058691. Our subsidiary is engaged in manufacturing of various types of bulk bags and FIBC bags.

Capital Structure

As on the date of this Red Herring Prospectus, the authorized share capital of Fibcorp Polyweave Private Limited is Rs. 72,00,000 divided into 72,000 equity shares of Rs. 100 each. The issued, subscribed and paid-up capital is Rs. 6,64,300 divided into 66430 equity shares of Rs. 100 each. Our Company holds 51.01% of Fibcorp Polyweave Private Limited shareholding.

Financial Information

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revalidation reserves), (ii) sales; (iii) profit/loss) after tax; (iv) earnings per share; (v) diluted earnings per shares and in relation to our Subsidiary for the last three financial years, extracted from its audited financial statements (as applicable) is on page S-1 to S-2 in this UDRHP and also available at the website of our Company at www.sahpolymers.com under the head “subsidiary company”. The financials of our subsidiary are audited by a peer reviewed auditor M/s Ajay Paliwal & Co., Chartered Accountants. The Corporate governance norms are followed by our subsidiary, to the extent applicable. The total indebtedness for three June 30, 2022 and Fiscals 2022, 2021 and 2020 is Rs. 207.72 lakhs, Rs. 172.91 lakhs, Rs. 248.93 lakhs and Rs. 193.29 lakhs respectively. The net asset value for three June 30, 2022 and Fiscals 2022, 2021 and 2020 is Rs. 846.86 lakhs, Rs. 799.41 lakhs, Rs. 887.97 lakhs and Rs. 258.68 lakhs respectively.

Total Indebtedness of Fibcorp Polyweave Private Limited

| Nature of Borrowing / Name of Borrower | As on 30.06.2022 | | As on 31.03.2022 | | As on 31.03.2021 | | As on 31.03.2020 | |
|---|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| | Sancti oned | Outstan ding | Sancti oned | Outstan ding | Sancti oned | Outstan ding | Sancti oned | Outstan ding |
| SECURED : | | | | | | | | |
| Term Loans From banks | - | - | | | | | | |
| WC & term loan from Indusind Bank | - | - | 239.71 | 172.91 | 239.71 | 209.98 | 195.00 | 167.83 |
| | | | | | | | | |
| Total Secured Loan (A) | - | - | 239.71 | 172.91 | 239.71 | 209.98 | 195.00 | 167.83 |
| UNSECURED : | | | | | | | | |
| Fatima Moti | - | 1.00 | - | - | - | 0.51 | - | 0.46 |
| HDFC auto loan | - | - | - | - | - | 2.52 | - | - |
| Italica Furniture Private Ltd | - | - | - | - | - | - | - | 25.00 |
| SAT Industries Ltd. | - | - | - | - | - | 35.93 | - | - |
| DA Tradetech Pvt. Ltd. | - | 121.11 | - | - | - | - | - | - |
| Park Continental Pvt. Ltd. | - | 85.60 | | | | | | |
| Total Unsecured Loan (B) | - | 207.72 | - | - | - | 38.95 | - | 25.46 |
| Total (A)+ (B) | - | 207.72 | 239.71 | 172.91 | 239.71 | 248.93 | 195.00 | 193.29 |

Accumulated profits or losses

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiary.

Common Pursuits

Based on the business activities undertaken by our Subsidiary there are certain common pursuits amongst our subsidiary and our Company. Our Company has entered into a non-compete agreement with our Subsidiary dated April 13, 2022 and will further adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any conflict situations if they arise.

Related business transactions

Except as mention the arrangements/ transactions disclosed in the sections“*Restated Standalone and Consolidated Financial Informations- Note 34 – Related party disclosure*” on page F-27 of this Red Herring Prospectus, our subsidiary does not have any business interest in our Company.

Nature and Extent of Interest of our Subsidiary company in our Company

Except as disclosed in “Our History and Other Certain Corporate Matters” on page 147 of this Red Herring Prospectus , our Subsidiary does not have any business interest in our Company, in the promotion of our Company, in the properties acquired by our Company in the past three years before filing the Red Herring Prospectus with SEBI or proposed to be acquired and in transactions for acquisition of land, construction of building and supply of machinery.

Other confirmations

Our Subsidiary is not listed on any stock exchange in India or abroad. Further, neither have any of the securities of our Subsidiary been refused listing by any stock exchange in India or abroad, nor have any of our Subsidiary failed to meet the listing requirements of any stock exchange in India or abroad. In respect to the acquisition of our subsidiary made by us , we have acquired an independent valuation report dated January 04,2022 certified by CA Eshank Shah , Banshi Jain and Associates, Chartered Accountants .

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STATEMENT OF ASSETS AND LIABILITIES

All Amount in Rs Lakhs, Unless otherwise stated

| Particulars | 31.03.2022 | | 31.03.2021 | | 31.03.2020 | |
|---|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| ASSETS | | | | | | |
| Non-current assets | | | | | | |
| (a) Property, Plant and Equipment | | 119.36 | | 97.75 | | 60.85 |
| (b) Capital work -in- Progress | | - | | 1.40 | | |
| (c) Investment Property | | - | | - | | |
| (d) Goodwill | | | | - | | |
| (e) Other Intangible Assets | | | | | | |
| (f) Intangible assets under development | | | | | | |
| (g) Biological Assets other than bearer plants | | | | | | |
| (h) Financial Assets | | | | | | |
| (i) Investments | | | | | | |
| (ii) Trade receivables | | | | | | |
| (iii) Loans | | | | | | |
| (iv) Others | 7.36 | 7.36 | 9.36 | 9.36 | 6.25 | 6.25 |
| (i) Deferred tax assets (net) | | 2.35 | | 2.35 | | 1.28 |
| (j) Other non-current assets | | 14.39 | | 15.86 | | 34.70 |
| Current assets | | | | | | |
| (a) Inventories | | 496.02 | | 399.83 | | 255.01 |
| (b) Financial Assets | | | | | | |
| (i) Investments | | | | | | |
| (ii) Trade receivables | 195.84 | | 151.30 | | | 151.78 |
| (iii) Cash and cash equivalents | 61.63 | | 10.28 | | | 12.06 |
| (iv) Bank balances other than (iii) above | - | | - | | | |
| (v) Loans | 088 | | 2.20 | | | 1.07 |
| (vi) Others | - | 258.35 | - | 163.78 | | - |
| (c) Current Tax Assets (Net) | | 1.62 | | 0.68 | | 0.13 |
| (d) Other current assets | | 51.46 | | 76.85 | | 87.83 |
| Total Assets | | 950.92 | | 767.85 | | 580.97 |
| EQUITY | | | | | | |
| (a) Equity Share Capital | 66.43 | | 60.43 | | 51.37 | |
| (b) Other Equity | 464.62 | 531.05 | 228.57 | 289.00 | 81.51 | 132.87 |
| Equity attributable to the owner of the parent | | | | | | |
| Non- controlling Interest | | | | | | |
| LIABILITIES | | | | | | |
| Non-current liabilities | | | | | | |
| (a) Financial Liabilities | | | | | | |
| (i) Borrowings | 14.04 | | 74.93 | | 49.53 | |
| (ia) Lease liabilities | - | | - | | - | |
| (ii) Trade payables | - | | - | | - | |
| (iii) Other financial liabilities(other than those specified in item (b)) | - | 14.04 | - | 74.93 | - | 49.53 |
| (b) Provisions | | | | | | |
| (c) Deferred tax liabilities (Net) | | | | | | |
| (d) Other non-current liabilities | | | | | | |
| Current liabilities | | | | | | |
| (a) Financial Liabilities | | | | | | |
| (i) Borrowings | 158.86 | | 174.00 | | 143.77 | |
| (ia) Lease liabilities | - | | - | | - | |
| (ii) Trade payables : | - | | - | | - | |
| (A)Total outstanding dues of micro enterprises and small enterprises | - | | - | | - | |
| (B)Total outstanding dues of creditors other than micro enterprises and small enterprises | 234.53 | | 226.89 | | 239.66 | |
| (iii) Other financial liabilities(other than those specified in item(c)) | - | 393.39 | - | 400.90 | - | 383.43 |
| (d) Other current liabilities | | 12.44 | | 3.03 | | 15.15 |
| (c) Provisions | | - | | - | | |
| (d) Current Tax Liabilities (Net) | | - | | - | | |
| Total Equity and Liabilities | | 950.92 | | 767.85 | | 580.97 |

STATEMENT OF PROFIT AND LOSS

All Amount in Rs Lakhs, unless otherwise stated

| | Particulars | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|-------|---|------------------|------------------|------------------|
| I | Revenue from operations | 3,408.28 | 1,686.69 | 1187.90 |
| II | Other income | 21.32 | 16.13 | 50.93 |
| III | Total Income (I+II) | 3,429.60 | 1,702.82 | 1238.83 |
| IV. | Expenses : | | | 0 |
| | Cost of Materials consumed | 2,396.42 | 1,067.08 | 916.37 |
| | Purchases of Stock-in-Trade | | | 0 |
| | Changes in inventories of finished goods | 1.92 | (13.29) | (42.52) |
| | work-in-progress and Stock -in-Trade | | | - |
| | Employee benefits expense | 128.72 | 76.63 | 69.88 |
| | Finance costs | 20.70 | 17.21 | 36.43 |
| | Depreciation and amortization expense | 30.25 | 16.23 | 15.82 |
| | Other expenses | 708.85 | 533.92 | 295.29 |
| | Prior period expenses | - | - | 0.58 |
| | Total expenses | 3,286.86 | 1,697.78 | 1291.84 |
| V. | Profit before exceptional items and tax(III-IV) | 142.74 | 5.04 | (53.01) |
| VI. | Exceptional items | - | - | - |
| VII | Profit/(loss) before tax (V-VI) | 142.74 | 5.04 | (53.01) |
| VIII | Tax expense : | | | |
| | (1) Current tax | | | |
| | (2) Deferred tax | - | (1.07) | (1.11) |
| | Total tax expense | - | (1.07) | (1.11) |
| IX | Profit(loss)for the period from continuing operation (VII-VIII) | 142.74 | 6.11 | (51.90) |
| X | Profit/(Loss) from discontinued operations. | - | - | - |
| XI | Tax expense of discontinued operations | - | - | - |
| XII | Profit/(loss) from discontinued operation (X-XI) | - | - | - |
| XIII | Profit(loss) for the period (IX+XII)\ | 142.74 | 6.11 | (51.90) |
| XIV | Other Comprehensive Income | | | - |
| | A(i) Item that will not be reclassified to profit or loss | - | - | - |
| | (ii) Income tax relating to item that will not be reclassified to profit or loss | - | - | - |
| | B(i) Item that will be reclassified to profit or loss | - | - | - |
| XV | (ii) Income tax relating to item that will be reclassified to profit or loss | - | - | - |
| XVI | Total Comprehensive Income for the period (XIII+XIV) (Comprising profit (loss) and other Comprehensive Income for the period) | 142.74 | 6.11 | (51.90) |
| XVII | Earnings per equity share:(for continued Operation): | | | |
| | (1) Basic | 196.55 | 10.98 | (128.00) |
| | (2) Diluted | 196.55 | 10.98 | (128.00) |
| XVII | Earnings per equity share:(for discontinued Operation): | | | |
| | (1) Basic | - | - | - |
| | (2) Diluted | - | - | - |
| XVIII | Earnings per equity share:(for discontinued & continuing operations) | | | |
| | (1) Basic | 196.55 | 10.98 | (128.00) |
| | (2) Diluted | 196.55 | 10.98 | (128.00) |

OUR MANAGEMENT

In terms of the Companies Act and our Articles of Association of our Company require that our Board shall comprise of not less than 3 (three) Directors and not more than 15 (fifteen) Directors. As on the date of this Red Herring Prospectus, our Board comprises of 6 (Six) Directors, including four Independent Directors, of which one is a woman independent director.

The following table sets forth details regarding our Board of Directors as on the date of filing of this Red Herring Prospectus:

| Name, Designation, Address, Occupation, Nationality, Date of birth, Term, Period of directorship and DIN | Age (in years) | Other directorship |
|---|----------------|--|
| <p>Name: Asad Daud Designation: Managing Director Date of Birth: August 3, 1990 Address: 303, Asiana, 3rd Gunpowder Lane, Near Nana Nani Park, Mazgaon, Mumbai-400010 Occupation: Business Nationality: Indian Current term: Term of 5 years from March 11 2020, liable to retire by rotation Period of directorship: Associated with our company since April 3, 2009, was appointed as the Whole Time Director on May 1, 2009 and is the Managing Director of our Company since November 02, 2015. DIN: 02491539</p> | 32 | <p>Indian companies: Public companies: Sat Industries Limited Aeroflex Industries Limited Private companies: Lion Houseware Private Limited Sat Invest Private Limited Italica Furniture Private Limited A Flex Invest Private Limited Aeroflex Finance Private Limited Foreign companies Aeroflex Industries Limited (UK) Limited Liability Partnership: Rubis Capital Advisors LLP* <i>*Nominee – Body Corp partner</i></p> |
| <p>Name: Hakim Sadiq Ali Tidiwala Designation: Whole Time Director Date of Birth: July 10, 1957 Address: 30, Kharol Colony, Fatehpura, Udaipur-313004 Occupation: Business Nationality: Indian Current term: Term of 3 years from August 1, 2021, liable to retire by rotation Period of directorship: Appointed as the Managing director since August 1, 1998. His designation was changed to Whole time Director on November 2, 2015. DIN: 00119156</p> | 65 | <p>Indian companies Public companies: Sah Infra-Tech Limited Aeroflex International Limited Private companies: Italica Furniture Private Limited Foreign companies Nil</p> |
| <p>Name: Ramesh Chandra Soni Designation: Independent Director Date of Birth: October 19, 1959 Address: 29, Chhoti Maheshwari Street, Dhanmandi, Udaipur-313001 Occupation: Profession Nationality: Indian Current term: Term of 5 years from March 11, 2020 Period of directorship: Associated with our Company as a Non-Executive director since April 3, 2009 thereafter he was appointed as Independent director on March 12, 2015 and was re-appointed on March 11, 2020 as on independent director DIN: 00049497</p> | 63 | <p>Indian companies Public companies: Sat Industries Limited. Aeroflex Industries Limited Private companies: Italica Furniture Private Limited Aeroflex Finance Private Limited Foreign companies Nil</p> |
| <p>Name: Sanjay Suthar Designation: Independent Director Date of Birth: August 31, 1993 Address: Jhadol Falasiya, Kolyari, Udaipur -313701 Occupation: Service Nationality: India Current term: Term of 5 years from March 28, 2022 Period of directorship: Appointed as additional (Independent) director on March 28, 2017 which was then regularised at the AGM on September 29, 2017.</p> | 29 | <p>Indian companies Public companies: Nil Private companies Nil Foreign companies Nil</p> |

| Name, Designation, Address, Occupation, Nationality, Date of birth, Term, Period of directorship and DIN | Age (in years) | Other directorship |
|--|----------------|---|
| DIN: 07777202 | | |
| Name: Nikhil Khanderao Raut Designation: Independent Director Date of Birth: October 13, 1991 Address: Kamal Niwas, Near Municipal School, Penkar Pada, Mira Road East, Mira-Bhayander, Thane, Maharashtra-401107 Occupation: Service Nationality: Indian Current term: Term of 5 years from March 10, 2022 Period of directorship: Appointed as Independent director on March 10, 2017, regularised at the AGM on September 29, 2017 DIN: 06653335 | 31 | Indian companies Public companies: Nil Private Companies: Nil Foreign companies Nil |
| Name: Chetna Designation: Independent Director Date of Birth: April 28, 1990 Address: H. No. 138, village Rithala, North West Delhi, Delhi- 110085 Occupation: Professional Nationality: Indian Current term: reappointed for a term of 1 year from August 19, 2022 to August 18 2023 Period of directorship: Appointed as Independent director on August 19, 2021 DIN: 08981045 | 32 | Indian companies Public companies: AKG Exim Limited Esquire Money Guarantees Limited Best Agrolife Limited Prosper Housing Finance Limited ANG Lifesciences India Limited Valecha Engineering Limited Plaza Wires Limited Private Companies: Bigo Service India Private Limited 31 Dynamics Research Private Limited Lotte Engineering & Construction India Pvt. Ltd. Foreign companies Nil |

Brief Profile of the Directors

Asad Daud, aged 32 years, is the Managing director of our company. He is associated with our company since April 3, 2009. He holds a Masters of Science degree in field of Accounting & Finance from The London School of Economics and Political Science. He possesses more than 12years of experience in the polymer packaging Industry. He looks after the management and operations of the company and is in involved in bringing about innovation in the operations and products of the Company.

Hakim Sadiq Ali Tidiwala aged 65 years, is the Whole Time Director of our Company. He has been associated with our Company since August 1, 1998. He was then appointed as the Managing director and since November 2, 2015 he has been re-appointed as Whole Time Director in our Company. He does not have a formal education degree. He possesses more than 23 years of experience in the polymer packaging Industry. He is responsible for the general management and administration of the Company and brings about innovation through creation of new capacities, development of products, exploring and evaluating ways of penetrating existing markets and developing new markets in India and abroad.

Ramesh Chandra Soni aged 63 years, is an Independent Director of our Company. He has been appointed as Non-Executive director in our Company on April 03, 2009. He is a Fellow Member of the Institute of Chartered Accountants of India. He is a practicing chartered accountant and possesses more than 35 years of Experience in the field of accounts, finance, banking, taxation.

Sanjay Suthar aged 29 years, is an Independent Director of our Company. He was appointed as an additional Independent director of our company on March 28, 2017 which was then regularised on September 29, 2017. He holds Masters of Commerce degree from Mohanlal Sukhadia University, Udaipur. He has an overall experience of 8 years in the field of finance and accounts.

Nikhil Khanderao Raut aged 31 years, is an Independent Director of our Company. He has been appointed as Independent director of our company on March 10, 2017. He holds Bachelors of Commerce degree from University of Mumbai. He has an overall experience of 9 years in the field of Finance and Accounts.

Chetna aged 32 years, is an Independent Director of our company. She has been reappointed as an Independent director of our company on August 19, 2022. She holds a Bachelors Degree in Commerce from Delhi University and in Computer Applications from the Punjab Technical University. She is an Associate member of the Institute of Company Secretaries of India. She also holds Bachelor' Degree in Law from Maharaj Vinayak Global University, Jaipur and a degree in Management from Indira Gandhi National Open University. She has an experience of approx. 3 years in the field of Secretarial, SEBI compliances and Financial Management.

Directorships of Directors in listed companies

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Red Herring Prospectus, during the term of his/her directorship in such company.

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

Relationship between Directors and Key Managerial Personnel

None of our Directors are related to each other or to any of the KMPs as per the definition "Relative" under the Companies Act, 2013.

Confirmations

None of our directors have been identified as a wilful defaulter or a fraudulent borrower by the leading bank or financial Institutions or consortium in terms of RBI master circular dated July 10, 2015 as on the date of the RHP.

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 as a member by any person either to induce such director to become, or to help such director to qualify as a director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

None of our Directors have been declared as a Fugitive Economic Offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

Our Managing Director Mr. Asad Daud was associated as a director with Supply Chain Exchange Limited, which has been struck off from the records of the Registrar of Companies, Maharashtra at Mumbai. Supply Chain Exchange Limited stopped its operations in the year 2014 and got its name struck from the Registrar of Companies, Maharashtra at Mumbai on February 14, 2017. There were no outstanding balances for payables and receivables in the company. No regulatory or legal action were taken against Mr. Asad Daud.

There are no nominee directors, KMPs or other persons etc. appointed on behalf any of the shareholders or any other person on the Board of our Company as on date of this RHP

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

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the abovementioned Directors was selected as director or member of senior management.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Terms of Appointment of our Managing Director and Whole-Time Director

Asad Daud, Managing Director

We have entered into a service agreement with our Managing Director, Asad Daud on March 11, 2020. Our Board at its meeting held on February 15, 2020, and the Shareholders at the Extra Ordinary General Meeting held on March 11, 2020, approved the re-appointment of Asad Daud as Managing Director for a period of 5 years from March 11, 2020. He is not entitled to any remuneration or sitting fee for attending any of the meetings of the Board of Directors.

Hakim Sadiq Ali Tidiwala, Whole-Time Director

We have entered into a service agreement with Hakim Sadiq Ali Tidiwala, Whole Time Director on July 15, 2021. Our Board at its meeting held on June 18, 2021, and the Shareholders at the Extra Ordinary General Meeting held on July 15, 2021 approved the re-appointment of Hakim Sadiq Ali Tidiwala as Whole-Time Director for a period of 3 years from August 01, 2021. The following table sets forth the terms of appointment and remuneration of Mr Hakim Sadiq Ali Tidiwala.

| Particulars | Remuneration(in Rs.)* |
|---|---------------------------------------|
| Basic Salary | Rs.1,20,000 to Rs. 2,00,000 per month |
| Perquisites | 12.5% of the basic salary |
| Reimbursement of travelling and all other Expenses incurred | |

Payment of compensation or benefit to Independent Directors of our Company

The Company does not pay sitting fees to any of the Independent Directors of our Company. Commission and any other amounts may be paid as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.

The compensation/sitting fees/other remuneration paid to our current Executive Directors for the financial years 2020-2021 and 2021 - 2022 are as follows:-

| Sr. No. | Name of the Director | 2021-22 Remuneration (in Rs. lakhs) | 2020-2021 Remuneration (in Rs. lakhs) |
|----------------|-----------------------------|--|--|
| 1. | Asad Daud | NIL | NIL |
| 2. | Hakim Sadiq Ali Tidiwala | 16.20 | 15.00 |

The compensation/sitting fees/other remuneration paid to our current Non-Executive / Independent Directors for the financial years 2020-2021 and 2021 - 2022 are as follows:

| Sr. No. | Name of the Director | 2021-22 Remuneration (in Rs. lakhs) | 2020-2021 Remuneration (in Rs.lakhs) |
|----------------|-----------------------------|--|---|
| 1. | Ramesh Chandra Soni | NIL | NIL |
| 2. | Nikhil Khanderao Raut | NIL | NIL |
| 3. | Sanjay Suthar | NIL | NIL |
| 4. | Chetna | NIL | NIL |

Bonus or profit-sharing plan for our Directors

Our Company does not have any bonus or profit-sharing plan for its directors, which does not form part of their remuneration.

Contingent and deferred compensation payable to Directors

There is no contingent or deferred compensation payable to our directors.

Shareholding of the Directors in our Company

As per the Articles of Association of our Company, a director is not required to hold any qualification shares. Except as stated below no other directors have shareholding of our Company. The following table details the shareholding of our Directors as on the date of this Red Herring Prospectus:

| Name of the Director | No. of Shares | % of Pre-Issue Equity Share Capital | % of Post-Issue Equity Share Capital |
|-----------------------------|----------------------|--|---|
| Asad Daud | 1* | Negligible | [●] |

**holds as nominee on behalf of Sat Industries Limited.*

Borrowing Powers

Pursuant to a special resolution passed at an Extra Ordinary General Meeting of our Company held on July 15, 2021 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made thereunder, our Board has been authorised to borrow from time to time, any sum or sums of monies, which together with the monies 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 capital of the company and free reserve, that is to say, reserves not set apart for any specific purposes, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of Rs. 50,000.00 lakhs. (Fifty thousand Lakhs)

Interest of Directors

All the Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles of Association.

All the Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them to the extent of any dividends payable to them and other distributions in respect of the said Equity Shares.

- (I) Asad Daud and Hakim Sadiq Ali Tidiwala have extended personal guarantees for securing the repayment of bank loans obtained by our Company from our lenders, and may deemed to be interested to that extent;
- (II) All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold directorships or any partnership firms in which they are partners as declared in their respective declarations;
- (III) Our directors have no interest in any property acquired by our Company or proposed to be acquired by our Company as of date of this Red Herring Prospectus.;
- (IV) None of our Directors have any interest in the promotion of our Company, as on the date of this Red Herring Prospectus. However, Asad Daud, the Managing director of our company is also the significant Beneficial Owner of Our Corporate Promoter and holding Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or qualify him/her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Except as disclosed in this Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors either to induce them to become or to qualify them as Directors except the normal remuneration for services rendered by them as Directors.

No loans have been availed by our Directors from our Company as on date of this filing of this Red Herring Prospectus.

Except as stated above and under the headings "Restated Standalone and Consolidated Financial Informations - Note 34 – Related party disclosure" on page F-27 of this Red Herring Prospectus, under the section titled "Financial Information", we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Red Herring Prospectus P in which the Directors 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.

Changes in our Board of Directors during the last three years

The following changes have taken place in the Board of Directors of our Company during the last three years:

| Sr. No. | Name | Date of Appointment/ change/Resignation | Reason |
|----------------|--------------------------|--|--------------------------------------|
| 1 | Chetna | August 19, 2022 | Re-appointed as Independent Director |
| 2 | Hakim Sadiq Ali Tidiwala | August 1, 2021 | Re-appointed as Whole time Director |
| 3 | Asad Daud | March 11,2020 | Re-appointed as Managing Director |

| | | | |
|---|--------------------------|----------------|--------------------------------------|
| 4 | Ramesh Chandra Soni | March 11, 2020 | Re-appointed as Independent Director |
| 5 | Hakim Sadiq Ali Tidiwala | August 1, 2018 | Re-appointed as Whole Time Director |

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Red Herring Prospectus, we have six Directors on our Board, of whom four are Independent Directors, including one woman Independent Director.

Committee of the Board in accordance with the SEBI Listing Regulations

Our Company has constituted the following committees of the Board in terms of the SEBI Listing Regulations and the Companies Act 2013:

- I Audit Committee;
- II Nomination and Remuneration Committee
- III Stakeholders Relationship Committee
- IV IPO Committee

Audit Committee

Audit Committee was constituted vide Board Resolution dated March 28, 2017. The constitution of our Audit Committee is as under:

| Name of Director | Position in the Committee | Designation |
|--------------------------|---------------------------|----------------------|
| Ramesh Chandra Soni | Chairman | Independent Director |
| Nikhil Khanderao Raut | Member | Independent Director |
| Hakim Sadiq Ali Tidiwala | Member | Whole Time Director |

The Company Secretary of our Company shall serve as the secretary of the Audit Committee. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

The role of the Audit Committee shall include the following:

- I Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- II Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
- III Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- IV Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - i. 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;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions;
 - vii. Modified opinion(s) in the draft audit report.
- V Reviewing, with the management, the half yearly financial statements before submission to the Board for approval;
- VI Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents, and making appropriate recommendations to the Board to take up steps in this matter;
- VII Review and monitor the auditor's independence, performance and effectiveness of audit process;
- VIII Approval or any subsequent modification of transactions of the Company with related parties which includes omnibus approval for related parties transactions subject to conditions as specified under rules;
- IX Scrutiny of inter-corporate loans and investments;

- X Valuation of undertakings or assets of the company, wherever it is necessary;
- XI Evaluation of internal financial controls and risk management systems;
- XII Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- XIII 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;
- XIV Discussion with internal auditors any significant findings and follow up there on;
- XV 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;
- XVI 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.
- XVII 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;
- XVIII To oversee and review the functioning of the vigil mechanism pursuant the provisions of Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with sub-section 9 and 10 of Section 177 of the Companies Act, 2013, which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
- XIX Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- XX To investigate any other matters referred to by the Board of Directors;

Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The audit committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- f. Statement of deviations:
 - (i) half yearly statement of deviation(s), if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus

The Audit Committee is required to meet at least four times in a year, with not more than 120 days elapsing between two meetings.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted vide Board Resolution dated March 28, 2017. The constitution of the Nomination and Remuneration Committee is as under:

| Name of Director | Position in the Committee | Designation |
|-------------------------|----------------------------------|----------------------|
| Ramesh Chandra Soni | Chairman | Independent Director |
| Nikhil Khanderao Raut | Member | Independent Director |
| Sanjay Suthar | Member | Independent Director |

The role of the Nomination and Remuneration Committee shall be as follows:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel, senior management and other employees;
- (ii) Formulation of criteria for evaluation of independent directors and the Board;

- (iii) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (iv) Devising a policy on Board diversity; and
- (v) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The Nomination and Remuneration Committee shall meet at least once a year.

Stakeholders Relationship Committee

Stakeholders Relationship Committee was constituted vide the Board meeting held on July 31, 2021. The constitution of the Nomination and Remuneration Committee is as under:

| Name of Director | Position in the Committee | Designation |
|--------------------------|---------------------------|----------------------|
| Sanjay Suthar | Chairman | Independent Director |
| Asad Daud | Member | Managing Director |
| Hakim Sadiq Ali Tidiwala | Member | Whole Time Director |

The scope and function of the Stakeholders Relationship Committee is in accordance with Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

- (i) Efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures, if any;
- (ii) Redressal of security holder's/investor's complaints efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures;
- (iii) Reviewing on a periodic basis the approval/ refusal of transfer or transmission of shares, debentures or any other securities;
- (iv) Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- (v) Allotment and listing of shares;
- (vi) Reference to statutory and regulatory authorities regarding investor grievances; and
- (vii) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- (viii) Any other power specifically assigned by the Board of Directors of the Company

The Stakeholders Relationship Committee shall meet atleast once a year.

IPO Committee

IPO Committee was reconstituted vide Board Resolution dated July 01, 2022. The members of the IPO Committee are: -

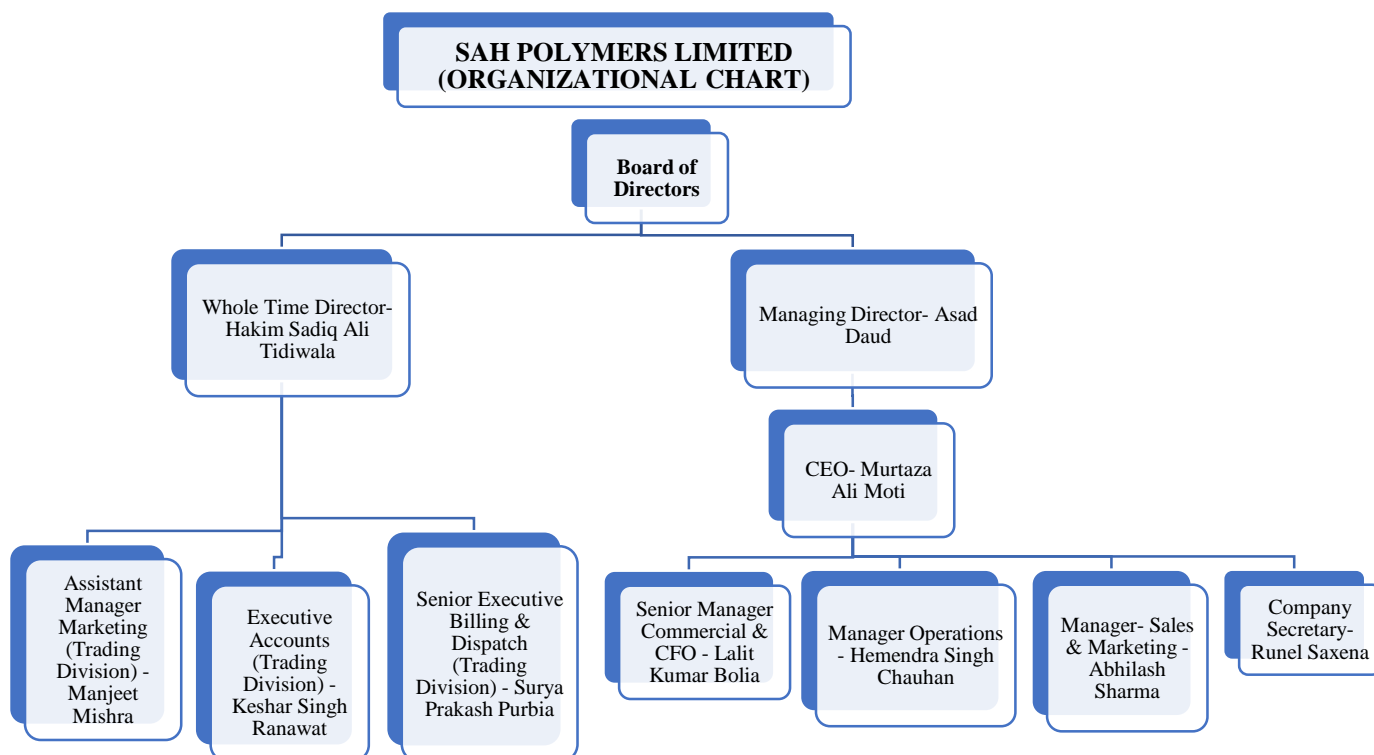
| Name of Director | Position in the Committee | Designation |
|--------------------------|---------------------------|---------------------|
| Asad Daud | Chairman | Managing Director |
| Hakim Sadiq Ali Tidiwala | Member | Whole Time Director |
| Runel Saxena | Member | Company Secretary |

The IPO Committee exercises powers in relation to the matters listed below:

- (I) The IPO Committee has been constituted to decide the terms and conditions of the Issue, finalization and filing of the Draft Red Herring Prospectus and this Red Herring Prospectus with SEBI, the Stock Exchanges and other regulatory bodies as may be required;
- (II) Handle all matter relating to appointment of intermediaries and advisors in relation to the IPO;
- (III) Deciding on allocation of the equity shares to specific categories of persons;
- (IV) Opening of bank accounts, securities account, escrow or custodian accounts, submitting applications and seeking listing of Equity Shares with the Stock Exchanges;
- (V) Determining and finalizing the price band, bid opening and closing date of this Issue, approving and finalizing the 'Basis of Allocation';
- (VI) Determining the price at which the Equity Shares are to be offered to the investors;
- (VII) Settling difficulties and doubts arising in relation to the IPO;
- (VIII) Empowering the authorized officers to enter into and execute any agreements or arrangements in relation to the IPO; and
- (IX) Carrying

out all acts and take all decisions as may be necessary for the purposes of the IPO and listing.

MANAGEMENT ORGANIZATIONAL STRUCTURE



Key Management Personnel

In addition to Asad Daud and Hakim Sadiq Ali Tidiwala , whose details have been provided above, the details of our other Key Managerial Personnel in terms of the SEBI ICDR Regulations, as on the date of this Red Herring Prospectus

In addition to Asad Daud and Hakim Sadiq Ali Tiddiwala , whose details have been provided above, the details of our other Key Managerial Personnel in terms of the SEBI ICDR Regulations, as on the date of this Red Herring Prospectus are set forth below:

Murtaza Ali Moti aged 39 years is the Chief Executive Officer of our Company. He has been appointed as CEO of the Company w.e.f. January 04, 2022. He is a Chartered Accountant, Chartered Financial Analyst and Financial Risk manager and has an overall experience of over 16 years in field of Finance and Accounts.

Lalit Kumar Bolia aged 56 years, is the Chief Financial Officer of our Company. He has been appointed as CFO of the Company w.e.f. November 2, 2015. He holds a Masters of Commerce degree from Mohanlal Sukhadia

University, Udaipur. Further he has an overall experience of over 30 years in field of Finance and Accounts. He received compensation of Rs.6.11 Lakhs for the FY 2022

Runel Saxena aged 34 years, is the Company Secretary and Compliance Officer of our Company. She has been appointed as Company Secretary and Compliance officer w.e.f. June 04, 2022. She holds Bachelor of Commerce degree from Mohanlal Sukhadia University, Udaipur. She also holds a Bachelor's of Law from Mohanlal Sukhadia University, Udaipur. She is a member of the Institute of Company Secretaries of India since June 10, 2011. She has approximately 6 years of work experience.

Status of Key Managerial Personnel

All our Key Managerial Personnel are permanent employees of our Company.

Relationship of Key Managerial Personnel

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

Bonus or Profit Sharing Plan for our Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company. Our Company makes annual variable payments to the Key Managerial Personnel, as part of the variable pay component of their remuneration, in accordance with their terms of appointment.

Shareholding of Key Management Personnel

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Red Herring Prospectus.

| Name of the Director | No. of Shares | % of Pre-Issue Equity Share Capital | % of Post-Issue Equity Share Capital |
|-----------------------------|----------------------|--|---|
| Asad Daud | 1* | Negligible | [●] |
| Lalit Kumar Bolia | 1* | Negligible | [●] |

**Held as nominee on behalf of Sat industries Limited*

Notes:

- (I) All the key managerial personnel mentioned above are permanent employees of our Company and none of them are related to each other or to any Director of our Company.
- (II) There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the abovementioned Key Managerial Personnel have been recruited.
- (III) As on the date of filing of this RHP, our Company does not have a performance linked bonus or a profit sharing plan with the Key Managerial Personnel.
- (IV) There is no contingent or deferred compensation payable to our Key Managerial Personnel, which does not form part of their remuneration.
- (V) No non-salary-related payments or benefits have been made to our key management personnel based on targets achieved and general performance.
- (VI) Our Key Managerial Personnel are governed by the terms of their appointment letters/employment contracts and have not entered into any other service contracts with our Company. No officer of our Company is entitled to any benefit upon termination of employment or superannuation, other than statutory benefits.

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel, are governed by the terms of their respective appointment letters/resolutions of our Board in relation their terms of appointment, and have not entered into any other service contracts with our Company. Further, no officer of our Company is entitled to any benefit upon termination of employment or superannuation, other than statutory benefits.

Contingent and deferred compensation payable to Key Managerial Personnel

No contingent or deferred compensation was payable to any of our Key Managerial Personnel for Financial Year 2022.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of the Key Managerial Personnel of our company have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Changes in the Key Management Personnel during last three years:

Except as disclosed below and in “Our Management- Changes in the Board in the last three years” on page 158 , there has been no change in the Key Managerial Personnel in the last three years.

| Name | Date of Appointment/ change/Resignation | Reason |
|--------------|--|--|
| Debanshu Deb | June 04, 2022 | Resignation as Company Secretary and Compliance Officer of our Company |
| Runel Saxena | June 04, 2022 | Appointment as Company Secretary and Compliance Officer of our Company |

We do not have attrition rate and except for the above resignation of our Company Secretary there has not been any resignation of any director / KMP in the last 3 years and during 3 months ended June,30,2022

Interest of Key Managerial Personnel

None of our Key Management Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business.

No loans have been availed by the Key Management Personnel from our Company as on date of this filing of this Red Herring Prospectus.

Employee stock option and stock purchase schemes

As on date of this Red Herring Prospectus, our Company does not have any employee stock option and stock purchase schemes.

Payment or Benefit to Key Managerial Personnel of our Company

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PROMOTER AND PROMOTER GROUP

The Promoter of our Company is Sat Industries Limited. Our Promoter, currently holds an aggregate of 1,43,16,000 Equity Shares including the shares held by its nominees on behalf of the Promoter, constituting 91.79% of the pre issued, subscribed and paid-up Equity Share capital of our Company.

For details of the build-up of the Promoter's shareholding in our Company, see "*Capital Structure – History of the Equity Share capital held by our Promoter*", on page 84 of the Red Herring Prospectus.

The details of our Promoter:

Sat Industries Limited

Corporate information and History

Sat Industries Limited ("SIL") was originally incorporated as a public limited company under the Companies Act, 1956, in the name of "Regent Leasing & Finance Limited" pursuant to a Certificate of Incorporation dated November 23, 1984. The name of the company was subsequently changed to "Sat Investeck Limited" pursuant to Certificate of Incorporation dated May 31, 2001. Pursuant to Certificate of Incorporation dated December 19, 2006 the name "Sat Investeck Limited" was changed to the current name viz "Sat Industries Limited". The CIN of the Company is L25199MH1984PLC034632. The Registered Office of SIL is at 121, B-Wing, Mittal Tower, Nariman Point, Mumbai Maharashtra- 400021. The Equity shares of the company are listed on BSE Limited. SIL is primarily engaged in the business of international trading, investment and finance, leasing of assets and manufacturing of hose pipes, flexible packaging and education through its Subsidiary and associates.

Board of directors:

The board of directors of Sat Industries Limited comprise the following:

| Name | Designation |
|-----------------------|---|
| Shehnaz D. Ali | Whole Time Director |
| Harikant Turgalia | Whole Time Director |
| Ramesh Chandra Soni | Non-Executive - Independent Director |
| Asad Daud | Non-Executive - Non Independent Director |
| Partha Sarathi Sarkar | Additional Non-Executive - Non Independent Director |
| Arpit Khandelwal | Additional Non-Executive - Non Independent Director |

Shareholding pattern:

The shareholding pattern of Sat Industries Limited as of September 30, 2022 is as under:.

| 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 depositary receipts (VI) | Total No. of shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities (IX) | | | No. of Shares underlying outstanding convertible securities (including warrants) | Shareholding as a % assuming full conversion of convertible securities No. (a) | No. of locked-in Equity Shares (XII) | | Number of Equity Shares pledged or otherwise encumbered (XIII) | | No. of Equity Shares held in dematerialized form (XIV) |
|--------------|---------------------------------------|---------------------------|--|--|---|--|---|---|------------------|-------------------------|--|--|--------------------------------------|---------------------------------|--|---------------------------------|--|
| | | | | | | | | Class (Equity) | Total | Total as a % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (A) | Promoter and Promoter Group | 2 | 58335000 | 0 | 0 | 58335000 | 51.59 | 58335000 | 58335000 | 51.59 | 0 | 0 | 0 | 0 | 0 | 0 | 58335000 |
| (B) | Public | 3455 | 54750000 | 0 | 0 | 54750000 | 48.41 | 54750000 | 54750000 | 48.41 | 0 | 0 | 0 | 0 | 0 | 0 | 54749970 |
| (C) | Non Promoter- Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares underlying depositary receipts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by employee trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | 3457 | 113085000 | 0 | 0 | 113085000 | 100.00 | 113085000 | 113085000 | 100.00 | 0 | 0 | 0 | 0 | 0 | 0 | 113084970 |

Details of the Promoter & promoter group of our Promoter:

The promoter of our promoter is Sat Invest Private Limited and A Flex Invest Private Limited. The promoters of Sat Invest Private Limited and A Flex Invest Private Limited are Asad Daud and Shehnaz D Ali.

The following table sets forth details of the shareholding pattern of Sat Invest Private Limited as on the date of this Red Herring Prospectus:

| S. No. | Name of Equity Shareholders | No. of Equity Shares | % of Equity Share Capital |
|--------|-----------------------------------|----------------------|---------------------------|
| 1. | M/s. DA Tradetech Private Limited | 3,57,000 | 19.97 % |
| 2. | Shehnaz D Ali | 1,34,179 | 7.50 % |
| 3. | Asad Daud | 3,77,635 | 21.12 % |
| 4. | Lion Houseware Pvt. Ltd. | 72,888 | 4.08 % |
| 5. | Space Age Polymers LLP | 7,16,347 | 40.07 % |
| 6. | Park Continental Private Limited | 64,000 | 3.58 % |
| 7. | S.A.Global Trader LLC | 65,869 | 3.68 % |
| | Total | 17,87,918 | 100.00 % |

The following table sets forth details of the shareholding pattern of A Flex Invest Private Limited as on the date of this Draft Red Herring Prospectus:

| S. No. | Name of Equity Shareholders | No. of Equity Shares | % of Equity Share Capital |
|--------|-----------------------------|----------------------|---------------------------|
| 1. | Shehnaz D Ali | 1,20,000 | 60.00 % |
| 2. | Asad daud | 80,000 | 40.00 % |
| | Total | 2,00,000 | 100.00% |

The Significant Beneficial Owner of our Promoter or the natural persons in control of SAT Industries Ltd. are the following-

| Individuals (Significant Beneficial Owners) | Promoters & Promoter group (PG) of our Corporate Promoter | Shares Held (%) or Voting Rights (%) |
|---|---|--------------------------------------|
| Asad Daud | Sat Invest Private Limited | 21.12% |
| Mrs. Shehnaz D. Ali | Sat Invest Private Limited | 7.50% |
| Asad Daud | A flex Invest Private Limited (Promoter Group) | 40.00% |
| Mrs. Shehnaz D. Ali | A flex Invest Private Limited (Promoter Group) | 60.00% |

Our Company confirms that the Permanent Account Number, Bank account number, Company Registration Number and the address of the Registrar of Companies where Sat Industries Limited is registered, shall be submitted to the Stock Exchange at the time of filing this Red Herring Prospectus.

Change in control of our Promoter:

There has been no change in the control of Sat Industries Limited in the last three years preceding the date of this Red Herring Prospectus

Details of acquisition of control, date of acquisition, terms of acquisition and consideration paid for Acquisition:

Our Promoter, in the year 2015 acquired 85,21,430 Equity shares representing 54.63% of shareholding of our company from Sat Invest Private Limited, Lion Houseware Private Limited and Park Continental Limited. Thereafter Sat Industries Limited has been identified as a promoter of our Company in certain public filings by our Company in the past. For further details, see “*Capital Structure - The build-up of the equity shareholding of our Promoters since incorporation of our Company*” on page 84 of Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in “*Our Promoter Group*” below and in section “*Our Management – Other Directorships*” on page 154 our Promoters are not involved in any other ventures.

Interests of our Promoter:

- (i) Our Promoter is interested in our Company to the extent it has promoted our Company and to the extent of its shareholding in our Company and dividend payable, if any, other distributions in respect of the securities held by it.
- (ii) Our Promoters may also be deemed to be interested to the extent of Equity Shares held by them and their immediate relatives in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares in our Company. For details regarding the shareholding of our Promoters in our Company, see the chapter titled '*Capital Structure*' on page 78 of this RHP.
- (iii) For details of shareholding of our Promoter in our Company, see "*Summary of the Issue Document-Pre-Issue Shareholding of our Promoter and the Promoter Group*" on page 21 of Red Herring Prospectus. Our Promoter has no interest in any property acquired in the three years preceding the date of this Red Herring Prospectus or is 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.
- (iv) We have received the NOC dated September 07, 2021 from Aflex Industries Private Limited to use their registered office at 121, B-Wing, Mittal Tower, Nariman Point Mumbai City, Maharashtra- 400021 as our corporate office and we share office space with few of our group entities.
- (v) We have given NOC dated December 24, 2021 to our promoter SAT Industries Ltd. to use our registered office at, E-60-261, Mewar, Industrial Area, Madri, Udaipur (Raj.)-313003, as their Branch office to keep book of accounts.
- (vi) We have extended unsecured loans to our promoter as on June 30, 2022, amounting to Rs.790.18 lakhs and it may be deemed to be interested to that extent. For further details of interest of our Promoters in our Company, see "*Financial Information- Related Party Transaction*" on page F-27 of this RHP.
- (vii) No sum has been paid or agreed to be paid to our Promoter or to the firms or companies in which our Promoter is interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as promoters or otherwise for services rendered by such promoter or by such firms or companies in connection with the promotion or formation of our Company.

Interest in property, land, construction of building and supply of machinery

Our Promoters have no interest in any property acquired by our Company in the three years preceding the date of this Red Herring 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.

Payment or benefits to our Promoter and Promoter Group

Other than as stated in "*Financial Statements*" on page 173 of Red Herring Prospectus, there has been no payment of benefits to our Promoter or the Promoter Group during the two years immediately preceding the date of filing of this Red Herring Prospectus. Other than as stated in "*Financial Statements*" on page 173 of Red Herring Prospectus, there is no intention to pay or give any benefit to our Promoter or any members of our Promoter Group.

Material guarantees given by our Promoter to third parties with respect to Equity Shares

Our Promoter has not provided any guarantees to third parties with respect to the Equity Shares.

Companies or firms with which our Promoter has disassociated in the last three years:

Our Promoter has not disassociated itself from any company or firm in the three years immediately preceding the date of this Red Herring Prospectus. However, our Promoter's shareholding has been diluted from 30.94% to 18.79% in Genext Students Private Limited pursuant to Shareholder's Agreement dated July 20, 2021 between Navneet Tech Ventures Private Limited and Genext Students Private Limited and the existing shareholders.

Promoter Group

The entities forming our Promoter Group other than our Corporate Promoter are:

1. Italica Furniture Private Limited
2. Aeroflex Industries Limited
3. Aeroflex International Limited
4. Aeroflex Finance Private Limited
5. Italica Global FZC, (UAE)
6. Sat Invest Private Limited

Nature of Relationship of the Promoter Group entities with Our Promoter:

Nature of relationship of the entities forming part of the Promoter Group, with the Promoters, in a tabular format are as under:

| Sr no. | Promoter Group Entities | Nature of Relationship of the Promoter Group entities with the Promoter |
|--------|-----------------------------------|---|
| 1 | Italica Furniture Private Limited | Promoter holds 100% equity in Italica Furniture Private Limited |
| 2 | Aeroflex Industries Limited | Promoter holds 92.18% equity in Aeroflex Industries Limited |
| 3 | Aeroflex International Limited | Promoter holds 99.99% equity in Aeroflex International Limited |
| 4 | Aeroflex Finance Private Limited | Promoter holds 100.00% equity in Aeroflex Finance Private Limited |
| 5 | Italica Global FZC, (UAE) | Asad Daud holds 99.00% equity in Italica Global FZC, (UAE), as nominee of SAT Industries Limited, beneficial interest of these shares lies with SAT Industries Limited. |
| 6 | Sat Invest Private Limited | SAT invest private limited holds 44.95% of total shareholding of our corporate promoterSat Industries Limited |

The persons whose shareholding is aggregated under the heading "shareholding of the promoter group" are:

1. Asad Daud*
2. Mrs. Shehnaz D Ali*
3. Harikant Turgalia*
4. Rangarao Chinchulkar*
5. Nitin Shinde*
6. Lalit Kumar Bolia*
7. Mahipal Jain*

*these are the nominee shareholders in our Company holding shares on behalf of the Sat Industries Limited.

OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than the Holding Company/Corporate Promoter) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies (other than the Promoter Company) with which our Company has related party transactions as per the Restated Standalone and Consolidated Financial Informations, as covered under the relevant accounting standard (i.e. Ind AS 24) have been considered as Group Company in terms of the SEBI ICDR Regulations.

In respect of (ii) above, our Board, in its meeting dated July 31, 2021 decided, that a company shall be considered as a Material/Group Company if: (i) companies in which the investment in the form of equity or loan by our Company exceeds 10% of the net worth of our Company for the last restated financial year and/or relevant Stub period; (ii) where our Company has entered into one or more transactions with such company in the last restated financial year and/or relevant stub period, cumulatively exceeding 10% of the total revenue of our Company for the last restated financial year and/or relevant Stub period ; (iii) it is a member of the Promoter Group (companies) (other than the Promoters) in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and the Company has entered into one or more transactions with such company during the last restated financial year and/or relevant stub period, which individually or cumulatively in value exceeds 10% of the revenue from operations of the Company for the last restated financial year and/or relevant stub period as per the Restated Standalone and Consolidated Financial Informations and (iv) any other company which the Board may decide to consider material.

Based on the above Italica Furniture Private Limited is our Group Company which is also our fellow subsidiary.

Italica Furniture Private limited (“IFPL”)

Corporate Information

Italica Furniture Private Limited was incorporated as a private limited company under the Companies Act, 1956 on December 23, 2004 having its registered office at 121, Floor-12th, Plot-210, B Wing, Mittal Tower Free Press Journal Marg, Nariman Point Mumbai- 400021. The Corporate Identity Number of IFPL is U25209MH2004PTC345795.

Nature of Activities

In accordance with the objects clause of Memorandum of Association, IFPL is currently engaged in the business of financing, investment and leasing of assets.

Financial Performance

The financial information derived from the audited financial results of IFPL for the Financial Years 2022, 2021 and 2020 are set forth below:

(in Rs.lakh except per share data)

| Particulars | March 31, 2022 | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|----------------|
| Equity share capital | 208.21 | 208.21 | 208.21 |
| Reserves and surplus (excluding revaluation reserves) | 1,026.94 | 967.81 | 923.51 |
| Sales/ revenue from operations | 64.91 | 70.70 | 143.38 |
| Profit after tax | 59.13 | 44.30 | 27.20 |
| Basic earnings per share (face value of Rs.10 each) | 2.84 | 2.13 | 1.31 |
| Diluted earnings per share (face value of Rs.10 each) | 2.84 | 2.13 | 1.31 |
| Net asset value (per share) | 59.35 | 56.48 | 54.35 |

There are no significant notes by the auditors of IFPL in relation to the above mentioned financial statements.

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves), (ii) sales; (iii) profit/loss) after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to IFPL for the last three financial years,

extracted from its audited financial statements (as applicable) is available at the website of our Company at www.sahpolymers.com. This information is referred to as the “Group Company Financial Information”.

It is clarified that such details available in relation to IFPL on its website do not form a part of this RHP. Anyone placing reliance on any other source of information, would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

Nature and Extent of Interest of our Group Company

In the promotion of our Company

Our Group Company does not have any interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing the Red Herring Prospectus with SEBI or proposed to be acquired

Our Group Company is not interested in the properties acquired by our Company in the 3 (three) years preceding the filing of the Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery

Our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Related Business Transactions within our Group Company and significance on the financial performance of our Company

Other than the arrangements/ transactions disclosed in the sections “*Restated Standalone and Consolidated Financial Informations- Note 34 – Related party disclosure*” on page F-27 of this Red Herring Prospectus, our Group Companies do not have any business interest in our Company.

Common Pursuits amongst the Group Companies and our Company

Our Group company do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when it arises.

Business Interest of our Group Company

Except in the ordinary course of business and other than the business arrangements/ transactions disclosed in *Restated Standalone and Consolidated Financial Informations - Note--34- Related party disclosure*” on page F-27 of this Red Herring Prospectus, there are no other business arrangements/ transactions between our Company and Group company.

Litigation

Except as disclosed in the section entitled “*Outstanding Litigation and other Material Developments*” on page 198, our Group company are not party to any pending litigation which has a material impact on our Company.

Other Confirmations

The securities of our Group Company are not listed on a stock exchange. Accordingly, they have not made any public or rights issue of securities (as defined under the SEBI ICDR Regulations) in the three years preceding the date of this Red Herring Prospectus. Further, the securities of our Group Company have not been refused listing by any of the stock exchanges in India or abroad during the last ten years, and our Group Company has not failed to meet the listing requirements of any of the stock exchange in India or abroad.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board of Directors and approved by our shareholders in the Annual General Meeting, at their discretion, subject to the provisions of the Articles of Association, the Companies Act and SEBI Listing Regulations, including the rules made thereunder and other relevant regulations, if any, each as amended. Further the Board shall also have the absolute power to declare interim dividend in compliance with the Act including the Rules made thereunder and other relevant regulations, if any. Our Company has no formal dividend policy as on the date of this Red Herring Prospectus.

Declaration of dividend, if any, will depend on a number of internal and external factors, including but not limited to annual operating plans, capital budgets, quarterly and annual results, investments including mergers and acquisitions, legislations impacting business, competition, strategic updates, financial decisions, funding arrangements, macro-economic environment, changes in accounting policies and applicable accounting standards, client related risks, statutory restriction, capital markets, inflation rate, tax implications, considering dividend pay-out ratios of Companies in the same industry and other factors considered by our Board of Directors. Our Company may not distribute dividend or may distribute a reduced quantum of dividend when there is absence or inadequacy of profits.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For details in relation to risks involved in this regard, see *“Risk Factors - Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements”* on page 54 of this RHP .

Our Company has not declared and paid any dividends on the Equity Shares in the three Fiscals preceding the date of this Red Herring Prospectus and the period from April 1, 2021 until the date of this Red Herring Prospectus.

SECTION V- FINANCIAL STATEMENTS

RESTATED STANDALONE AND CONSOLIDATED FINANCIAL INFORMATIONS

| Sr. No. | Details | Page. No. |
|----------------|---|------------------|
| 1 | Restated Standalone and Consolidated Financial Informations | F-1 to F-33 |

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**INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED STANDALONE
FINANCIAL INFORMATION AND CONSOLIDATED FINANCIAL INFORMATION**

**The Board of Directors,
Sah Polymers Limited
E-260-261, Mewar Industrial Area,
Madri,
Udaipur -313 003, Rajasthan, India**

Dear Sirs,

1. We have examined the attached

(a) Restated Consolidated Financial Information of **Sah Polymers Limited** (the "Company" or the "Holding Company" or the "Issuer"), its subsidiary company **Fibcorp Polyweave Private Limited** (collectively referred to as "the Group"), which comprise of Restated Consolidated Balance Sheet as at 30th June, 2022 and 31st March, 2022, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity and Restated Consolidated Statement of Cash Flows for the period/year ended 30th June, 2022 and 31st March, 2022, and the Summary of Significant Accounting Policies and other explanatory information (collectively, the 'Restated Consolidated Financial Information') and

(b) Restated Standalone Financial Information of **Sah Polymers Limited** (the "Company" or the "Issuer"), which comprise of Restated Standalone Balance Sheet as at 31st March, 2021 and 31st March, 2020, the Restated Standalone Statement of Profit and Loss (including Other Comprehensive Income), Restated Standalone Statement of Changes in Equity and Restated Standalone Statement of Cash Flows for the period ended at 31st March, 2021 and 31st March, 2020, and the Summary of Significant Accounting Policies and other explanatory information (collectively, the 'Restated Standalone Financial Information')

as approved by the Board of Directors of the Company at their meeting held on November 03, 2022 for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus to be prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provision of Securities and Exchange Board of India Act, 1992 ("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 Standalone Financial Information and the Restated Consolidated Financial Information for the purpose of inclusion in the RHP and Prospectus to be filed with Securities and Exchange Board of India (“SEBI”), the stock exchanges where the equity shares of the Company are proposed to be listed (“Stock Exchanges”) and the Registrar of Companies, Rajasthan, situated at Jaipur (“ROC”), in connection with the proposed IPO. The Restated Standalone Financial Information and the Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note to the Restated Standalone Financial Information and the Restated Consolidated Financial Information.

The Board of directors of the Company and respective Board of Directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information and the Restated Consolidated Financial Information. The Board of directors of the Company and the respective Board of Directors of the companies are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.

3. We have examined such Restated Standalone Financial Information and Restated Consolidated Financial Information taking into consideration:

a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 08, 2022 in connection with the proposed IPO of equity shares of the Company; and

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 Standalone Financial Information and the Restated Consolidated Financial Information; 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 proposed IPO of equity shares of the Company.

4. These Restated Standalone Financial Information and the Restated Consolidated Financial Information have been compiled by the management from:



(a) Audited consolidated financial statements of the Group as at and for the period/ year ended 30th June, 2022 and 31st March, 2022 prepared in accordance with Ind AS as prescribed under Section 133 of the Act and other accounting principles generally accepted in India (the “consolidated financial statements”), which have been approved by the Board of Directors at their Board meetings held on 8th October, 2022 and 27th May, 2022 respectively.

(b) Audited standalone financial statements of the Company as at and for the year ended at 31st March, 2021 and 31st March, 2020 prepared in accordance with Ind AS as prescribed under Section 133 of the Act and other accounting principles generally accepted in India (the “standalone financial statements”), which have been approved by the Board of Directors at their Board meetings held on 18th June ,2021 and 18th June, 2020 respectively.

5.For the purpose of our examination, we have relied on Auditors’ reports dated 18th June, 2021 and 18th June, 2020, on the standalone financial statements of the Company as at and for the year ended at 31st March, 2021 and 31st March ,2020 respectively, and also 8th October, 2022 and 27th May, 2022 on the consolidated financial statements of the Group as at and for the period/ year ended 30th June,2022 and 31 March ,2022 respectively as referred in paragraph 4 above.

Further the consolidated financial statements for the year ended 31st March,2022 and standalone financial statements for the year ended 31st March, 2021 and 31st March, 20210 have been audited by other auditors whose reports have been furnished to us by the Company’s management, and our opinions for the relevant years on the consolidated financial statements, in so far as they relate to the amounts and disclosures included in respect of the Company for the relevant years, are based solely on the reports of such other auditors. Our respective opinion on the restated consolidated financial statements and standalone financial statements are not modified in respect of the above matter.

6.We did not audit the financial statements of subsidiary – Fibcorp Polyweave Private Limited , whose financial statements reflect total assets(before consolidation adjustments), total revenues(before consolidation adjustments) and net cash flows included in the Restated Consolidated Financial Information for each of those years is tabulated below:

Rs. in lakhs

| Particulars | As at and for the period ended 01/04/2022 to 30/06/2022 | As at and for the year ended 31 March, 2022 |
|--------------|---|---|
| Total Assets | 1141.58 | 950.92 |



| | | |
|---------------------------|--------|---------|
| Total Revenues | 924.03 | 3429.60 |
| Net Cash inflow/(outflow) | 86.26 | 65.48 |

These financial statements have been audited by other auditors whose reports have been furnished to us by the Company's management, and our opinions for the relevant years on the consolidated financial statements, in so far as they relate to the amounts and disclosures included in respect of such subsidiary for the relevant years, are based solely on the reports of such other auditors. Our respective opinion on the restated consolidated financial statements are not modified in respect of the above matter.

7. The other auditors of the subsidiary – Fibcorp Polyweave Private Limited have examined the restated financial information for each of those period 01.04.2022 to 30.06.2022 and the year ended 31st March, 2022 and have confirmed that the subsidiary's restated financial information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the period 01.04.2022 to 30.06.2022 and the financial year ended 31 March 2022 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended 30th June, 2022;

b) do not contain any qualifications requiring adjustments; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

6. Based on the above and according to the information and explanations given to us, we further report that the Restated Standalone Financial Information and the Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the period 01.04.2022 to 30.06.2022 and the financial years ended 31st March, 2022, 31st March, 2021 and 31st March 2020 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the period ended at 30th June, 2022;

b) does not contain any qualifications requiring adjustments; and

c) has been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.



7. The Restated Standalone Financial Information and the Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 5 above.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. Our report is intended solely for use of the Board of Directors for inclusion in the RHP and Prospectus to be filed with SEBI, Stock exchanges and ROC 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 in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For H R JAIN & CO.,
Chartered Accountants
Firm's Registration No. 000262C

Manoj Jain
Partner
Place of signature: Udaipur
Membership No.: 400459
Date: November 3, 2022
ICAI UDIN: 22400459BCFHLG1967

SAH POLYMERS LIMITED
(Restated Balance Sheet as at)

All Amount in Rs Lakhs, Unless otherwise stated

| Particulars | Note | 30.06.2022 | | 31.03.2022 | | 31.03.2021 | | 31.03.2020 | |
|---|------|--------------|-----------------|--------------|-----------------|------------|-----------------|------------|-----------------|
| | | Consolidated | | Consolidated | | Standalone | | Standalone | |
| ASSETS | | | | | | | | | |
| (1) Non-current assets | | | | | | | | | |
| (a) Property, Plant and Equipment | 3 | | 1,561.62 | | 1,557.70 | | 1,420.96 | | 1,271.86 |
| (b) Capital work-in- Progress | 3 | | 925.49 | | 668.44 | | 1.75 | | |
| (c) Investment Property | | | - | | - | | - | | |
| (d) Goodwill | | | 307.81 | | 307.81 | | - | | 0 |
| (e) Other Intangible Assets | 3 | | 1.45 | | 1.76 | | 3.53 | | 2.09 |
| (f) Intangible assets under development | | | - | | - | | - | | |
| (g) Biological Assets other than bearer plants | | | - | | - | | - | | |
| (h) Financial Assets | | | - | | - | | - | | |
| (i) Investments | | | - | | - | | - | | |
| (ii) Trade receivables | | | - | | - | | - | | |
| (iii) Loans | | | - | | - | | - | | |
| (iv) Others | 4 | 66.36 | 66.36 | 66.88 | 66.88 | 56.63 | 56.63 | 52.82 | 52.82 |
| (i) Deferred tax assets (net) | | | - | | - | | - | | |
| (j) Other non-current assets | 5 | | 208.65 | | 147.82 | | 1.57 | | 9.10 |
| (2) Current assets | | | | | | | | | |
| (a) Inventories | 6 | | 1,604.74 | | 1,559.34 | | 571.56 | | 560.76 |
| (b) Financial Assets | | | | | | | | | |
| (i) Investments | | | | | | | | | |
| (ii) Trade receivables | 7 | 1,540.05 | | 1,385.58 | | 969.23 | | 900.01 | |
| (iii) Cash and cash equivalents | 8 | 90.81 | | 189.78 | | 194.30 | | 104.32 | |
| (iv) Bank balances other than (iii) above | 9 | 59.54 | | 59.22 | | 50.63 | | 65.63 | |
| (v) Loans | 10 | 941.26 | | 697.49 | | 685.14 | | 542.85 | |
| (vi) Others | | | 2,631.66 | | 2,332.07 | | 1,899.30 | | 1,612.81 |
| (c) Current Tax Assets (Net) | 11 | | 3.71 | | 3.41 | | 1.79 | | - |
| (d) Other current assets | 12 | | 223.71 | | 221.50 | | 100.76 | | 83.69 |
| Total Assets | | | 7,535.20 | | 6,866.73 | | 4,057.85 | | 3,593.13 |
| EQUITY | | | | | | | | | |
| (a) Equity Share Capital | 13 | 1,559.60 | | 1,559.60 | | 1,559.60 | | 1,559.60 | |
| (b) Other Equity | 14 | | | | | 449.15 | | 321.87 | |
| Equity attributable to the owner of the parent | | 939.25 | | 845.05 | | | | | |
| Non- controlling Interest | | 275.61 | 2,774.46 | 260.16 | 2,664.81 | | 2,008.75 | | 1,881.47 |
| LIABILITIES | | | | | | | | | |
| (1) Non-current liabilities | | | | | | | | | |
| (a) Financial Liabilities | | | | | | | | | |
| (i) Borrowings | 15 | 150.88 | | 145.23 | | 89.67 | | - | |
| (ia) Lease liabilities | | | | | | | | | |
| (ii) Trade payables | | - | | - | | - | | - | |
| (iii) Other financial liabilities(other than those specified in item (b)) | | - | 150.88 | - | 145.23 | - | 89.67 | - | - |
| (b) Provisions | | | - | | - | | - | | - |
| (c) Deferred tax liabilities (Net) | 16 | | 148.80 | | 143.13 | | 142.67 | | 134.76 |
| (d) Other non-current liabilities | | | - | | - | | - | | - |
| (2) Current liabilities | | | | | | | | | |
| (a) Financial Liabilities | | | | | | | | | |
| (i) Borrowings | 17 | 3,164.06 | | 2,908.62 | | 1,289.56 | | 1,037.38 | |
| (ia) Lease liabilities | | | | | | | | | |
| (ii) Trade payables : | 18 | | | | | | | | |
| (A)Total outstanding dues of micro enterprises and small enterprises | | | | | | | | | |
| (B)Total outstanding dues of creditors other than micro enterprises and small enterprises | | 960.24 | | 785.40 | | 340.97 | | 448.17 | |
| (iii) Other financial liabilities(other than those specified in item(c)) | | - | 4,124.30 | - | 3,694.02 | - | 1,630.53 | - | 1,485.55 |
| (d) Other current liabilities | 19 | | 193.75 | | 123.21 | | 164.25 | | 85.56 |
| (c) Provisions | 20 | | 7.16 | | - | | 4.32 | | 5.35 |
| (d) Current Tax Liabilities (Net) | 21 | | 135.85 | | 96.33 | | 17.66 | | 0.44 |
| Total Equity and Liabilities | | | 7,535.20 | | 6,866.73 | | 4,057.85 | | 3,593.13 |

See accompanying notes to the restated financial statements 1 to 62

As per our Audit report of even date attached.

For and on behalf of
H R JAIN & CO.,
Chartered Accountants
Firm's Registration No. 000262C

for and on behalf of the Board

Manoj Jain
Partner
Place of signature: Udaipur
Membership No.: 400459
Date: November 03, 2022
ICAI UDIN:

ASAD DAUD **HAKIM SADIQ** **LALIT** **RUNEL SAXENA** **Murtaza Ali**
ALI **KUMAR** **Moti**
Managing Wholetime Chief Financial
Director Director Officer Company
DIN:02491539 DIN : 00119156 M. No.: 28022
Secretary Chief Executive
Officer

| Particulars | Note no. | for the period 01.04.2022 to 30.06.2022 | | for the year ended 31.03.2022 | | for the year ended 31.03.2021 | | for the year ended 31.03.2020 | |
|---|----------|---|----------|----------------------------------|----------|----------------------------------|----------|----------------------------------|----------|
| | | Consolidated | | Consolidated | | Standalone | | Standalone | |
| | | Amount in Rupees | | Amount in Rupees | | Amount in Rupees | | Amount in Rupees | |
| INCOME : | | | | | | | | | |
| I Revenue from operations | 22 | | 2,722.31 | | 8,051.14 | | 5,506.99 | | 4,910.07 |
| II Other income | 23 | | 36.68 | | 72.31 | | 27.43 | | 80.89 |
| III Total Income (I+II) | | | 2,758.99 | | 8,123.45 | | 5,534.42 | | 4,990.96 |
| IV. Expenses : | | | | | | | | | |
| Cost of Materials consumed | 24 | | 1,560.31 | | 4,731.56 | | 3,120.50 | | 3,153.63 |
| Purchases of Stock-in-Trade | 25 | | 315.08 | | 1,232.15 | | 674.56 | | 183.70 |
| Changes in inventories of finished goods work-in-progress and Stock -in-Trade | 26 | | 53.92 | | (331.24) | | 56.42 | | 5.05 |
| Employee benefits expense | 27 | | 166.07 | | 315.32 | | 223.75 | | 215.86 |
| Finance costs | 28 | | 35.65 | | 123.50 | | 86.94 | | 133.36 |
| Depreciation and amortization expense | 3 | | 28.35 | | 100.65 | | 80.56 | | 76.50 |
| Other expenses | 29 | | 427.57 | | 1,402.26 | | 1,129.48 | | 1,171.41 |
| Total expenses | | | 2,586.95 | | 7,574.20 | | 5,372.21 | | 4,939.51 |
| V. Profit before exceptional items and tax(III-IV) | | | 172.04 | | 549.25 | | 162.21 | | 51.45 |
| VI. Exceptional items | | | - | | - | | - | | - |
| VII Profit/(loss) before tax (V-VI) | | | 172.04 | | 549.25 | | 162.21 | | 51.45 |
| VIII Tax expense : | | | | | | | | | |
| (1) Current tax | | 41.24 | | 108.90 | | 27.07 | | 8.18 | |
| (2) Deferred tax | | 5.67 | 46.91 | 2.81 | 111.71 | 7.91 | 34.98 | 13.59 | 21.77 |
| IX Profit/(loss)for the period from continuing operation (VII- VIII) | | | 125.13 | | 437.54 | | 127.23 | | 29.68 |
| X Profit/(Loss) from discontinued operations. | | | - | | - | | - | | - |
| XI Tax expense of discontinued operations | | | - | | - | | - | | - |
| XII Profit/(loss) from discontinued operation (X-XI) | | | - | | - | | - | | - |
| XIII Profit(loss) for the period (IX+XII)\ | | | 125.13 | | 437.54 | | 127.23 | | 29.68 |
| XIV Other Comprehensive Income | | | | | | | | | |
| A(i) Item that will not be reclassified to profit or loss | | | - | | - | | - | | - |
| (ii) Income tax relating to item that will not be reclassified to profit or loss | | | - | | - | | - | | - |
| B(i) Item that will be reclassified to profit or loss | | | - | | - | | - | | - |
| XV (ii) Income tax relating to item that will be reclassified to profit or loss | | | - | | - | | - | | - |
| XVI Total Comprehensive Income for the period (XIII+XIV) (Comprising profit (loss) and other Comprehensive Income for the period) | | | 125.13 | | 437.54 | | 127.23 | | 29.68 |
| Attributable to a) | | | | | | | | | |
| Owners of the parent | | | 109.68 | | 420.33 | | - | | - |
| (b) Non-controlling interests | | | 15.45 | | 17.21 | | - | | - |
| Of the total comprehensive income above, | | | | | | | - | | - |
| Profit for the year attributable to : | | | | | | | | | |
| Owners of the parent | | | 109.68 | | 420.33 | | - | | - |
| Non-controlling interests | | | 15.45 | | 17.21 | | - | | - |
| Of the total comprehensive income above, | | | | | | | - | | - |
| Other comprehensive income attributable to : | | | | | | | | | |
| Owners of the parent | | | - | | - | | - | | - |
| Non-controlling interests | | | - | | - | | - | | - |
| XVII Earnings per equity share:(for continued Operation): | | | | | | | | | |
| (1) Basic | 30 | | 0.80 | | 2.81 | | 0.82 | | 0.19 |
| (2) Diluted | 30 | | 0.80 | | 2.81 | | 0.82 | | 0.19 |
| XVII Earnings per equity share:(for discontinued Operation): | | | | | | | | | |
| (1) Basic | | | - | | - | | - | | - |
| (2) Diluted | | | - | | - | | - | | - |
| XVIII Earnings per equity share:(for discontinued & continuing operations) | | | | | | | | | |
| (1) Basic | 30 | | 0.80 | | 2.81 | | 0.82 | | 0.19 |
| (2) Diluted | 30 | | 0.80 | | 2.81 | | 0.82 | | 0.19 |

See accompanying notes to the restated financial statements

1 to 62

As per our Audit report of even date attached.

For and on behalf of
H R JAIN & CO.,
Chartered Accountants
Firm's Registration No. 000262C

for and on behalf of the Board

Manoj Jain

ASAD DAUD **HAKIM SADIQ** **LALIT** **RUNEL** **Murtaza Ali**
ALI TIDIWALA **ALI TIDIWALA** **KUMAR** **SAXENA** **Moti**
BOLIA
Managing Chief
Director Director Financial
Officer
Secretary Officer

Partner

DIN:02491539 DIN : 00119156 M. No.: 28022

Place of signature: Udaipur
Membership No.: 400459
Date: November 03, 2022
ICAI UDIN:

SAH POLYMERS LIMITED
RESTATED CASH FLOW STATEMENT (Rs. in lakhs)

| Sr. No. | Particulars | Period from | Year ended | Year ended | Year ended |
|----------|---|--------------------------|-------------------|-----------------|-----------------|
| | | 01.04.2022 30.06.2022 | 31.03.2022 | 31.03.2021 | 31.03.2020 |
| | | Consolidated | Consolidated | Standalone | Standalone |
| A | Cash Flow from Operating Activities | | | | |
| | Net Profit before tax | 172.04 | 549.25 | 162.21 | 51.45 |
| | Adjustments for: | | | | |
| | Depreciation | 28.35 | 100.65 | 80.56 | 76.50 |
| | Interest Paid | 35.65 | 121.35 | 82.25 | 133.36 |
| | Interest received | (1.02) | (2.86) | (3.31) | (4.23) |
| | (Profit)/Loss on sale of property, plant and equipment | - | (0.09) | 3.52 | - |
| | Provisions of gratuity, leave encashment etc. | 7.16 | - | - | 0.79 |
| | Operating Profit before working capital changes | 242.18 | 768.30 | 325.23 | 257.87 |
| | Adjustment for Changes in Working Capital: | | | | |
| | Decrease/(Increase) in Trade Receivables | (154.47) | (80.15) | (69.22) | (25.91) |
| | Increase/(decrease) in financial liabilities | - | - | - | (62.50) |
| | Increase/(decrease) in other current liabilities and provision | 70.54 | (64.10) | 77.66 | 27.41 |
| | Increase in financial liabilities | - | - | 75.47 | - |
| | Increase in Loan | (243.77) | (7.49) | (142.29) | (542.85) |
| | Other bank Balances | (0.32) | (8.59) | 15.00 | - |
| | Increase/(Decrease) in Trade Payables | 174.84 | (64.50) | (107.14) | 51.06 |
| | Increase in other non current assets | (60.83) | (131.89) | 7.53 | (3.19) |
| | Non Current Financial assets | 0.52 | (9.97) | (3.81) | (32.29) |
| | Increase in other current assets | (2.21) | (8.10) | (17.07) | 563.22 |
| | Increase in tax assets | (0.30) | (0.05) | (1.79) | 25.29 |
| | Decrease/(Increase) in Stock | (45.40) | (442.43) | (10.80) | 18.09 |
| | Cash Generated from Operations | (19.22) | (48.99) | 148.77 | 276.20 |
| | Income Taxes Refund / (Paid) | 1.72 | 30.23 | 9.85 | 17.10 |
| | Net Cash Inflow / (Out Flow) from Operation (A) | (20.94) | (79.22) | 138.92 | 259.10 |
| B | Cash Flow from Investing Activities: | | | | |
| | Sale of fixed assets | - | 2.45 | 0.60 | - |
| | Purchase of fixed assets | (31.96) | (110.18) | (235.22) | (87.30) |
| | Capital Work -in- Progress | (257.05) | (666.69) | (1.75) | - |
| | Adjustment on consolidation of subsidiary | - | (307.81) | - | - |
| | Interest received | 1.02 | 2.86 | 3.31 | 4.23 |
| | Net Cash Inflow / (Outflow) from investing Activities (B) | (287.99) | (1,079.37) | (233.06) | (83.07) |
| C | Cash flow from Financing Activities | | | | |
| | Repayment of borrowings | (29.32) | (138.30) | 89.67 | (32.96) |
| | Increase in borrowing | 503.99 | 1,395.20 | 78.29 | - |
| | Capital issue expenses | (15.48) | (24.43) | - | - |
| | Interest Paid | (35.65) | (121.35) | (82.25) | (133.36) |
| | Net Cash Inflow / (Out Flow) from Financing Activities (C) | 423.54 | 1,111.12 | 85.71 | (166.32) |
| | Net Increase/Decrease in cash & Cash equivalents (A+B+C) | 114.61 | (47.47) | (8.43) | 9.71 |
| | CASH AND CASH EQUIVALENTS | | | | |
| | As at the beginning of the year (Refer Note 8) | 189.78 | 253.69 | 104.31 | 98.30 |
| | Cash and cash equivalent of amalgamating Company | | | | 54.11 |
| | Less : Cash Credit | 721.31 | 737.75 | 592.12 | 649.92 |
| | As at the end of the year (Refer Note 8) | 90.81 | 189.78 | 194.30 | 104.32 |
| | Less : Cash Credit | 507.73 | 721.31 | 690.54 | 592.12 |
| | Net Increase/Decrease in cash & Cash equivalents | (114.61) | 47.47 | 8.43 | (9.71) |

Notes:

¹ The above Restated Consolidated and Standalone Statement of Cash Flows have been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7, Statement of Cash Flows.

See accompanying notes to the restated financial statements

1 to 62

As per our Audit report of even date attached.

For and on behalf of
H R JAIN & CO.,
Chartered Accountants
Firm's Registration No. 000262C

for and on behalf of the Board

Manoj Jain

ASAD DAUD

HAKIM SADIQ ALI
TIDIWALA

LALIT KUMAR BOLIA

RUNEL SAXENA

Partner

Managing Director

Wholetime Director

Chief Financial Officer

Company

Secretary

Place of signature: Udaipur

DIN:02491539

DIN : 00119156

M. No.: 28022

Membership No.: 400459

Date: November 03, 2022

Murtaza Ali Moti

ICAI UDIN:

Chief Executive
Officer

SAH POLYMERS LIMITED

Notes to the Restated Financial Statements

1. Reporting Entity

Sah Polymers Limited (SPL) is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. SPL is engaged in the manufacture of HDPE/PP woven fabrics and sacks with annual production capacity of 6062 MT. The manufacturing capacities are situated at Udaipur (Rajasthan). The fabrics and sacks find applications in the packing of cement, minerals, food grains etc.

The Restated Financial Statement comprise of consolidated financial statements of Sah Polymers Limited ('the Company' or 'the Holding Company') and its subsidiary, Fibcorp Polyweave Private ('the Subsidiary) for the year ended 31.03.2022 and period ended 30th June, 2022, as Fibcorp Private Limited became subsidiary with effect from 05.01.2022 and stand alone Financial Statements for the year ended 31.03.2021 and 31.03.2020.

2. Significant Accounting Policies

1.1 Basis of preparation

(i) Statement of Compliance and basis of preparation

The Restated Statement of Assets and Liabilities of the Company as at 30th June, 2022, 31st March 2022, 31 March 2021 and 2020 and the Restated Statement of Profit and Loss, the Restated Statement of Changes in Equity and the Restated Statement of Cash Flows for the period ended 30th June, 2022 and for the year ended 31st March 2022, 31 March 2021 and 2020 and other explanatory information are together referred as "Restated Financial Information".

These "Restated Financial Information" are approved for issue by the Board of Directors on November 3, 2022.

The Restated Financial Information has been compiled by the Company for the period ended 30th June, 2022 and for the year ended 31st March 2022 in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred to as "Ind AS") & for the year ended 31 March 2021 from the Audited Financial Statements of the Company prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred to as "Ind AS") and for the year ended 31 March 2020 have been compiled based on Re-Audited Financial Statement as required by the ICDR regulation prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, as amended and other accounting principles generally accepted in India (referred to as "Ind AS").

The Restated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time; and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

The Company has decided to voluntarily adopt Ind AS before the transition date as 1 April 2019 and prepared its first financial statements in accordance with Indian Accounting Standards (Ind AS) for the period ended 30th June, 2022 and for the year ended 31 March 2022, 31 March 2021 and 31 March 2020.

The Restated Financial Information have been extracted by the Management from the Audited Financial Statements and :

- a) there were no audit qualifications on these financial statements;
- b) there were no changes in accounting policies during the period/years of these financial statements;
- c) material amounts relating to adjustments for previous years in arriving at profit/loss of the period/years to which they relate, have been appropriately adjusted;
- d) adjustments have been made 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 audited financial statements of the Company as at and for the period/ year ended 30th June, 2022, 31st March, 2022, 31 March 2021 and 31st March, 2020 prepared under Ind AS and the requirements of the SEBI Regulation; and
- e) the resultant tax impact, if any, on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

2. Significant Accounting Policies

Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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 the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All up gradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Company are as follows:

| | |
|------------------------|----------|
| Buildings | 30 Years |
| Plant and Equipment | 25 Years |
| Furniture and Fixtures | 10 Years |
| Vehicles | 8 Years |
| Office Equipment | 5 Years |
| Intangible Assets | 5 Years |

No write off is made in respect of leasehold land.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Intangible Assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

a. for assets acquired in a business combination or by way of a government grant, at fair value on the date of acquisition/grant

b. for separately acquired assets, at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands, websites and customer lists are not recognised as intangible assets.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g., patents, licenses, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g., computer software, design, prototypes) or commercial obsolescence (e.g., lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite. Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

Inventories

Inventories are stated at lower of cost or net realisable value. The cost is calculated on weighted average 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. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

Exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation (having a functional currency other than Indian Rupee) are accumulated in Foreign Currency Translation Reserve.

Investment in Subsidiary

Investment in subsidiary is carried at cost less accumulated impairment, if any.

Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets**Recognition:**

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification:

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

(a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.

(b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment:

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Income Recognition:

Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods includes duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as goods and service tax .

Revenue from the sale of goods is recognised when significant risks and rewards of ownership/control have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable. Revenue from services is recognised in the periods in which the services are rendered.

Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

- (a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the useful life of the assets.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

Employee Benefits

i) Short-term Employee benefits Liabilities for wages and salaries including nonmonetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

iii) Post-Employment Benefits Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund maintained with Regional Provident Fund Office and Superannuation Fund are charged as an expense in the Statement of Profit and Loss as they fall due.

Defined Benefit Plans**Gratuity Fund**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is payable to all eligible employees on death or on separation/ termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

Provident Fund

The contributions to the Provident Fund of employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

iv) Other Long Term Employee Benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees upto the end of the reporting period using the projected unit credit method

Re-measurements are recognised in profit or loss in the period in which they arise. Actuarial gains and losses in respect of such benefits are charged to Statement of Profit and Loss in the period in which they arise.

Leases

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a Lessee

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

Financial and Management Information Systems

The Company's Accounting System is designed to comply with the relevant provisions of the Companies Act, 2013, to provide financial information appropriate to the businesses and facilitate Internal Control.

Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Certain trademarks have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Other trademarks have been amortized over their useful economic life. Refer notes to the financial statements.

B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1. Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

2. Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

3. Actuarial Valuation:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

4. Claims, Provisions and Contingent Liabilities:

In the case of litigations where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

NOTE NO. - 3 PROPERTY, PLANT AND EQUIPMENT

Rs in Lakhs

| Particulars | Lease Assets | | Owned Assets | | Furniture and | Vehicles | Office | DG Sets | Tube well | Computer | Total |
|---|-----------------|---------------|---------------|---------------------|---------------|--------------|--------------|--------------|-------------|--------------|-----------------|
| | Land -Leasehold | Building | land Freehold | Plant and Equipment | | | | | | | |
| Period ended 30 June, 2022 | | | | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | | | | |
| Opening Gross Carrying Amount | 29.57 | 438.04 | 115.96 | 1,752.98 | 33.18 | 26.35 | 29.70 | 57.28 | 1.16 | 22.51 | 2,506.73 |
| Additions | | 0.52 | | 0.70 | 0.74 | 27.39 | 1.29 | | | 1.32 | 31.96 |
| On acquisition of subsidiary | | | | | | | | | | | - |
| Disposals/Adjustment | - | - | - | - | - | - | - | - | - | - | - |
| Closing Gross Carrying Amount | 29.57 | 438.56 | 115.96 | 1,753.68 | 33.92 | 53.74 | 30.99 | 57.28 | 1.16 | 23.83 | 2,538.69 |
| ACCUMULATED DEPRECIATION | | | | | | | | | | | |
| Opening Accumulated Depreciation | - | 163.21 | - | 686.53 | 14.52 | 22.31 | 17.71 | 29.45 | 0.49 | 14.81 | 949.03 |
| Depreciation charged during the year | | 3.65 | | 20.02 | 0.99 | 0.53 | 1.20 | 0.62 | 0.01 | 1.02 | 28.04 |
| Disposals/Adjustments | | | | | | | | | | | - |
| Closing Accumulated Depreciation | - | 166.86 | - | 706.55 | 15.51 | 22.84 | 18.91 | 30.07 | 0.50 | 15.83 | 977.07 |
| Net Carrying Amount | 29.57 | 271.70 | 115.96 | 1,047.13 | 18.41 | 30.90 | 12.08 | 27.21 | 0.66 | 8.00 | 1,561.62 |
| Year ended 31 March, 2022 | | | | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | | | | |
| Opening Gross Carrying Amount | 29.57 | 412.07 | 115.45 | 1583.68 | 14.94 | 22.06 | 22.26 | 57.28 | 1.16 | 13.24 | 2271.71 |
| Additions | 0.00 | 19.70 | 0.51 | 82.70 | 0.92 | 0.87 | 0.59 | 0.00 | 0.00 | 4.93 | 110.22 |
| On acquisition of subsidiary | 0.00 | 6.27 | | 88.96 | 17.32 | 3.42 | 7.45 | | | 4.34 | 127.76 |
| Disposals/Adjustment | 0.00 | 0.00 | 0.00 | 2.36 | 0.00 | 0.00 | 0.60 | 0.00 | 0.00 | 0.00 | 2.96 |
| Closing Gross Carrying Amount | 29.57 | 438.04 | 115.96 | 1752.98 | 33.18 | 26.35 | 29.70 | 57.28 | 1.16 | 22.51 | 2506.73 |
| ACCUMULATED DEPRECIATION | | | | | | | | | | | |
| Opening Accumulated Depreciation | 0.00 | 148.90 | 0.00 | 616.62 | 11.36 | 21.52 | 13.17 | 26.94 | 0.45 | 11.79 | 850.75 |
| Depreciation charged during the year | 0.00 | 14.31 | 0.00 | 69.91 | 3.16 | 0.79 | 5.14 | 2.51 | 0.04 | 3.02 | 98.88 |
| Disposals/Adjustments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.60 | 0.00 | 0.00 | 0.00 | 0.60 |
| Closing Accumulated Depreciation | 0.00 | 163.21 | 0.00 | 686.53 | 14.52 | 22.31 | 17.71 | 29.45 | 0.49 | 14.81 | 949.03 |
| Net Carrying Amount | 29.57 | 274.83 | 115.96 | 1066.45 | 18.66 | 4.04 | 11.99 | 27.83 | 0.67 | 7.70 | 1557.70 |
| Year ended 31 March, 2021 | | | | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | | | | |
| Opening Gross Carrying Amount | 29.57 | 412.07 | - | 1,482.57 | 13.90 | 22.06 | 18.94 | 57.28 | 1.16 | 12.03 | 2,049.58 |
| Additions | - | - | 115.45 | 111.46 | 1.04 | - | 3.32 | - | - | 1.21 | 232.48 |
| Disposals/Adjustment | - | - | - | 10.35 | - | - | - | - | - | - | 10.35 |
| Closing Gross Carrying Amount | 29.57 | 412.07 | 115.45 | 1,583.68 | 14.94 | 22.06 | 22.26 | 57.28 | 1.16 | 13.24 | 2,271.71 |
| ACCUMULATED DEPRECIATION | | | | | | | | | | | |
| Opening Accumulated Depreciation | - | 135.07 | - | 564.55 | 10.86 | 21.41 | 10.59 | 24.43 | 0.42 | 10.39 | 777.72 |
| Depreciation charged during the year | - | 13.83 | - | 58.30 | 0.50 | 0.11 | 2.58 | 2.51 | 0.03 | 1.40 | 79.26 |
| Disposals/Adjustments | - | - | - | 6.23 | - | - | - | - | - | - | 6.23 |
| Closing Accumulated Depreciation | - | 148.90 | - | 616.62 | 11.36 | 21.52 | 13.17 | 26.94 | 0.45 | 11.79 | 850.75 |
| Net Carrying Amount | 29.57 | 263.17 | 115.45 | 967.06 | 3.58 | 0.54 | 9.09 | 30.34 | 0.71 | 1.45 | 1,420.96 |
| Year ended March, 2020 | | | | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | | | | |
| Opening Gross Carrying Amount | 29.57 | 412.07 | - | 1,406.91 | 13.57 | 21.49 | 11.69 | 57.28 | 1.16 | 11.10 | 1,964.84 |
| Additions | - | - | | 75.66 | 0.33 | 0.57 | 7.25 | | | 0.93 | 84.74 |
| Disposals/Adjustment | - | - | | | | | | | | | - |
| Closing Gross Carrying Amount | 29.57 | 412.07 | - | 1,482.57 | 13.90 | 22.06 | 18.94 | 57.28 | 1.16 | 12.03 | 2,049.58 |
| ACCUMULATED DEPRECIATION | | | | | | | | | | | |
| Opening Accumulated Depreciation | - | 121.24 | | 510.20 | 10.26 | 21.34 | 8.98 | 21.92 | 0.39 | 8.41 | 702.74 |
| Depreciation charged during the year | - | 13.83 | | 54.35 | 0.60 | 0.07 | 1.61 | 2.51 | 0.03 | 1.98 | 74.98 |
| Disposals/Adjustments | - | - | | | | | | | | | - |
| Closing Accumulated Depreciation | - | 135.07 | - | 564.55 | 10.86 | 21.41 | 10.59 | 24.43 | 0.42 | 10.39 | 777.72 |
| Net Carrying Amount | 29.57 | 277.00 | - | 918.02 | 3.04 | 0.65 | 8.35 | 32.85 | 0.74 | 1.64 | 1,271.86 |

| NOTE NO. - 3 INTANGIBLE ASSETS | | | NOTE NO. -4 CAPITAL WORK IN PROGRESS | | | | | | | | |
|---|--------------|-------------|--------------------------------------|----------------|-------------|-------------|-------------|-------------|---------------|-------------------|---------------|
| Particulars | Owned Assets | | Particulars | Owned Assets | | | | | | Rs In lakhs | |
| | Software | Total | | Building under | Plant and | Tubewell | Furniture & | DG Set | Electric and | Pre Operative Exp | Total |
| Year ended 30 June, 2022 | | | Year ended 30 June, 2022 | | | | | | | | |
| GROSS CARRYING AMOUNT | | | GROSS CARRYING AMOUNT | | | | | | | | |
| Opening Gross Carrying Amount | 9.58 | 9.58 | Opening Gross Carrying Amount | 407.04 | - | 3.53 | 0.07 | 0.69 | 129.03 | 128.08 | 668.44 |
| Additions | - | - | Additions | 138.42 | 3.76 | - | - | - | 4.63 | 110.24 | 257.05 |
| Disposals/Adjustment | - | - | Disposals/Adjustment | - | - | - | - | - | - | - | - |
| Closing Gross Carrying Amount | 9.58 | 9.58 | Closing Gross Carrying Amount | 545.46 | 3.76 | 3.53 | 0.07 | 0.69 | 133.66 | 238.32 | 925.49 |
| ACCUMULATED DEPRECIATION | | | Year ended 31 March, 2022 | | | | | | | | |
| Opening Accumulated Depreciation | 7.82 | 7.82 | GROSS CARRYING AMOUNT | 0 | - | - | - | - | - | 0 | 0 |
| Depreciation charged during the year | 0.31 | 0.31 | Opening Gross Carrying Amount | 1.75 | - | - | - | - | - | 0 | 1.75 |
| Disposals/Adjustments | - | - | Additions | 405.29 | - | 3.53 | 0.07 | 0.69 | 129.03 | 128.08 | 666.69 |
| Closing Accumulated Depreciation | 8.13 | 8.13 | Disposals/Adjustment | 0 | - | - | - | - | - | 0 | 0 |
| Net Carrying Amount | 1.45 | 1.45 | Closing Gross Carrying Amount | 407.04 | - | 3.53 | 0.07 | 0.69 | 129.03 | 128.08 | 668.44 |
| Year ended 31 March, 2022 | | | | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | | | | |
| Opening Gross Carrying Amount | 9.58 | 9.58 | | | | | | | | | |
| Additions | - | - | | | | | | | | | |
| Disposals/Adjustment | - | - | | | | | | | | | |
| Closing Gross Carrying Amount | 9.58 | 9.58 | | | | | | | | | |
| ACCUMULATED DEPRECIATION | | | | | | | | | | | |
| Opening Accumulated Depreciation | 6.05 | 6.05 | | | | | | | | | |
| Depreciation charged during the year | 1.77 | 1.77 | | | | | | | | | |
| Disposals/Adjustments | - | - | | | | | | | | | |
| Closing Accumulated Depreciation | 7.82 | 7.82 | | | | | | | | | |
| Net Carrying Amount | 1.76 | 1.76 | | | | | | | | | |
| Year ended March,2021 | | | | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | | | | |
| Opening Gross Carrying Amount | 6.84 | 6.84 | | | | | | | | | |
| Additions | 2.74 | 2.74 | | | | | | | | | |
| Disposals/Adjustment | - | - | | | | | | | | | |
| Closing Gross Carrying Amount | 9.58 | 9.58 | | | | | | | | | |
| ACCUMULATED DEPRECIATION | | | | | | | | | | | |
| Opening Accumulated Depreciation | 4.75 | 4.75 | | | | | | | | | |
| Depreciation charged during the year | 1.30 | 1.30 | | | | | | | | | |
| Disposals/Adjustments | - | - | | | | | | | | | |
| Closing Accumulated Depreciation | 6.05 | 6.05 | | | | | | | | | |
| Net Carrying Amount | 3.53 | 3.53 | | | | | | | | | |
| Year ended March,2020 | | | | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | | | | |
| Opening Gross Carrying Amount | 4.28 | 4.28 | | | | | | | | | |
| Additions | 2.56 | 2.56 | | | | | | | | | |
| Disposals/Adjustment | - | - | | | | | | | | | |
| Closing Gross Carrying Amount | 6.84 | 6.84 | | | | | | | | | |
| ACCUMULATED DEPRECIATION | | | | | | | | | | | |
| Opening Accumulated Depreciation | 3.23 | 3.23 | | | | | | | | | |
| Depreciation charged during the year | 1.52 | 1.52 | | | | | | | | | |
| Disposals/Adjustments | - | - | | | | | | | | | |
| Closing Accumulated Depreciation | 4.75 | 4.75 | | | | | | | | | |
| Net Carrying Amount | 2.09 | 2.09 | | | | | | | | | |

| NOTE NO. - 3 CAPITAL WORK IN PROGRESS | | | | | | | Rs in Lakhs |
|---------------------------------------|-----------------------------|-----------|-----------------------|--------|------------------------|-----------------------|-------------|
| Particulars | Owned Assets | | | | | | Total |
| | Building under construction | Tube well | Furniture and Fixture | DG Set | Electrical and Fitting | Preoperative Expenses | |
| Year ended March,2021 | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | |
| Opening Gross Carrying Amount | - | - | - | - | - | - | - |
| Additions | 1.75 | - | - | - | - | - | 1.75 |
| Disposals/Adjustment | - | - | - | - | - | - | - |
| Closing Gross Carrying Amount | 1.75 | - | - | - | - | - | 1.75 |
| Year ended March,2020 | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | |
| Opening Gross Carrying Amount | - | - | - | - | - | - | - |
| Additions | - | - | - | - | - | - | - |
| Disposals/Adjustment | - | - | - | - | - | - | - |
| Closing Gross Carrying Amount | - | - | - | - | - | - | - |

Note :

(i) Title deeds of Immovable Properties are held in the name of the Company./ There is no immovable properties whose title deeds are not held in the name of the Company.

(ii) The Company has not revalued its Property, Plant and Equipment.

(iii) The Company has not revalued its Intangible assets.

(iv) There is no intangible assets under development.

(v) Capital -Work-in Progress (CWIP)

| (a) CWIP aging schedule | | | | | | |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|--|--------|
| Particulars | Amount in CWIP for a period of | | | | | Total |
| | Less than 1 year s | 1-2 years | 2-3 years | More than 3 years | | |
| Project in progress | | | | | | |
| 01/04/2022 to 30/06/2022 | 257.05 | 668.44 | NIL | NIL | | 925.49 |
| Financial Year =>2022-2021 | 666.69 | 1.75 | NIL | NIL | | 668.44 |
| Financial Year =>2021-2020 | 1.75 | NIL | NIL | NIL | | 1.75 |
| Financial Year=>2019-2020 | NIL | NIL | NIL | NIL | | NIL |
| Projects temporarily suspended | | | | | | |
| 01/04/2022 to 30/06/2022 | NIL | NIL | NIL | NIL | | NIL |
| Financial Year =>2022-2021 | NIL | NIL | NIL | NIL | | NIL |
| Financial Year =>2021-2020 | NIL | NIL | NIL | NIL | | NIL |
| Financial Year=>2019-2020 | NIL | NIL | NIL | NIL | | NIL |

Notes forming part of the Restated Financial Statement

| | Consolidated | Consolidated | Standalone | Standalone |
|---|-------------------|-------------------|-------------------|-------------------|
| | (Rs. In Lakhs) | | | |
| Note 4 | | | | |
| OTHER NON-CURRENT FINANCIAL ASSETS | As at | As at | As at | As at |
| | 30.06.2022 | 31.03.2022 | 31.03.2021 | 31.03.2020 |
| Other Financial Assets | | | | |
| Security Deposits | 66.36 | 66.88 | 56.63 | 52.82 |
| | 66.36 | 66.88 | 56.63 | 52.82 |

| | As at | As at | As at | As at |
|---|------------|------------|------------|------------|
| | 30.06.2022 | 31.03.2022 | 31.03.2021 | 31.03.2020 |
| Note 5 | | | | |
| OTHER NON-CURRENT ASSETS | | | | |
| Capital Advances | 186.80 | 146.90 | 0.65 | 6.72 |
| Advances other than capital advances : | | | | |
| Security Deposit | | | | |
| -With Statutory Authorities | 0.92 | 0.92 | 0.92 | 2.17 |
| Other advances : | | | | |
| -Others | 20.93 | - | - | 0.21 |
| | 208.65 | 147.82 | 1.57 | 9.10 |

| | As at | As at | As at | As at |
|---|------------|------------|------------|------------|
| | 30.06.2022 | 31.03.2022 | 31.03.2021 | 31.03.2020 |
| Note 6 | | | | |
| INVENTORIES | | | | |
| At lower of cost and net realisable value | | | | |
| Raw material | 646.95 | 570.72 | 202.92 | 133.30 |
| Work-in-progress | 377.86 | 587.51 | 232.85 | 313.78 |
| Finished Goods | 444.34 | 289.97 | 105.27 | 79.79 |
| Stores and Spares | 116.14 | 95.49 | 27.00 | 29.28 |
| Printing Ink | 16.89 | 14.45 | 3.20 | 3.32 |
| Wastage | 2.56 | 1.20 | 0.32 | 1.29 |
| | 1,604.74 | 1,559.34 | 571.56 | 560.76 |

| | As at | As at | As at | As at |
|--|------------|------------|------------|------------|
| | 30.06.2022 | 31.03.2022 | 31.03.2021 | 31.03.2020 |
| Note 7 | | | | |
| TRADE RECEIVABLE | | | | |
| (a) Trade Receivables considered good- secured | - | - | - | - |
| (b) Trade Receivables considered good- unsecured | 1,540.05 | 1,385.58 | 969.23 | 900.01 |
| (c) Trade Receivables which have significant increase in Credit Risk | - | - | - | - |
| (d) Trade Receivables -Credit impaired | - | - | - | - |
| Less: Allowance for doubtful receivables | 1,540.05 | 1,385.58 | 969.23 | 900.01 |
| | - | - | - | - |
| | 1,540.05 | 1,385.58 | 969.23 | 900.01 |

Trade receivables ageing schedule as at 30th June,2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|-----------|-----------|-------------------|-----------------|
| | Less than 6 | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 1,403.28 | -0.00 | -0.00 | -0.00 | 136.77 | 1,540.05 |
| (ii) Undisputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables- which have significant increase in credit risk | - | - | - | - | - | - |
| Total | 1,403.28 | - | - | - | 136.77 | 1,540.05 |

Trade receivables ageing schedule as at 31st March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|-------------|--------------|-------------------|-----------------|
| | Less than 6 | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 1,245.76 | 0.51 | 0.17 | 30.51 | 108.63 | 1,385.58 |
| (ii) Undisputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables- which have significant increase in credit risk | - | - | - | - | - | - |
| Total | 1,245.76 | 0.51 | 0.17 | 30.51 | 108.63 | 1,385.58 |

Trade receivables ageing schedule as at 31st March 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|--------------|---------------|-------------------|---------------|
| | Less than 6 | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 832.38 | - | 27.32 | 109.53 | - | 969.23 |
| (ii) Undisputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables- which have significant increase in credit risk | - | - | - | - | - | - |
| Total | 832.38 | - | 27.32 | 109.53 | - | 969.23 |

Trade receivables ageing schedule as at 31st March 2020

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|-----------|-----------|-------------------|---------------|
| | Less than 6 | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 869.68 | 30.33 | | | | 900.01 |
| (ii) Undisputed Trade receivables – which have significant increase in credit risk | | | | | | |
| (iii) Undisputed Trade Receivables – credit impaired | | | | | | |
| (iv) Disputed Trade Receivables– considered good | | | | | | |
| (v) Disputed Trade Receivables – credit impaired | | | | | | |
| (vi) Disputed Trade Receivables- which have significant increase in credit risk | | | | | | |
| Total | 869.68 | 30.33 | - | - | - | 900.01 |

Note 8

| CASH AND CASH EQUIVALENTS | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|----------------------------------|---------------------|---------------------|---------------------|------------------|
| (a) Balances with banks | | | | |
| On Current Account | 75.85 | 186.34 | 192.77 | 42.26 |
| (b) Cheque in hand | | | | 54.00 |
| (b) Cash on hand | 14.96 | 3.44 | 1.53 | 8.06 |
| | 90.81 | 189.78 | 194.30 | 104.32 |

Note 9

| OTHER BANK BALANCES | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|----------------------------|---------------------|---------------------|---------------------|------------------|
| Earmarked balances | | | | |
| In deposits account * | 59.54 | 59.22 | 50.63 | 65.63 |
| | 59.54 | 59.22 | 50.63 | 65.63 |

Deposit with more than 3 months and remaining maturity period less than 12 months from the date of the balance sheet .

*Lien with the bank against bank guarantee and includes accrued interest Rs 3.54 Lakhs (2022- Rs. 3.22 Lakh, 2021-Rs 0.63 Lakhs and 2020- Rs 3.48 Lakhs)

Note 10

| LOANS (CURRENT) | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|---------------------|------------------|
| (a) Loan Receivables considered good- secured | - | - | - | - |
| (b) Loan Receivables considered good- unsecured | 941.26 | 697.49 | 685.14 | 542.85 |
| (c) Loan Receivables which have significant increase in credit risk | - | - | - | - |
| (d) Trade Receivables- credit impaired | - | - | - | - |
| | 941.26 | 697.49 | 685.14 | 542.85 |
| Less: Allowance for doubtful loans | - | - | - | - |
| | 941.26 | 697.49 | 685.14 | 542.85 |

Loans or advances in the nature of loans granted to promoters, directors , KMPS and the related parties (a) Repayable on demand ,or(b) without specifying terms of period of repayment. **NIL**

Note 11

| CURRENT TAX ASSETS | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|---------------------------|---------------------|---------------------|---------------------|------------------|
| Income tax Refund | 3.71 | 3.41 | 1.79 | |
| | 3.71 | 3.41 | 1.79 | - |

Note 12

| OTHER CURRENT ASSETS | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|---------------------|------------------|
| Advances other than capital advances : | | | | |
| Other advances : | | | | |
| -advance against expenses | 49.35 | 12.63 | 7.73 | 3.25 |
| -employees advances | | - | 4.86 | 2.94 |
| -pre-paid expenses | 7.75 | 11.88 | 11.64 | 9.38 |
| Other receivables : | 51.9 | 49.6 | 76.53 | 20.5 |
| GST, TDS Receivable | 83.66 | 116.34 | | - |
| MEIS Receivable | 31.05 | 31.05 | - | 47.62 |
| | 223.71 | 221.50 | 100.76 | 83.69 |

Note 13

| SHARE CAPITAL: | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Authorised* : 30000000 (2022-30000000,2021- 1,65,00,000 and 2020-1,60,00,000) Equity Shares of Rs.10/- each* | 3,000.00 | 3,000.00 | 1,650.00 | 1,600.00 |
| | 3,000.00 | 3,000.00 | 1,650.00 | 1,600.00 |
| Issued, subscribed and fully paid 15596000(2022- 15596000, 2021-15596000 and 2020 -15596000) Equity Shares of Rs.10/- each fully paid up | 1,559.60 | 1,559.60 | 1,559.60 | 1,559.60 |
| | 1,559.60 | 1,559.60 | 1,559.60 | 1,559.60 |

*refer to note 35(e)

| Reconciliation of number of shares: | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Face value per share (Rs.) | 10 | 10 | 10 | 10 |
| Number of Equity Shares outstanding at the beginning of the reporting period | 1,55,96,000 | 1,55,96,000 | 1,55,96,000 | 1,55,96,000 |
| No. of Equity Shares issued during the year | - | - | - | - |
| | 1,55,96,000 | 1,55,96,000 | 1,55,96,000 | 1,55,96,000 |
| Less : Deduction during the year | - | - | - | - |
| Number of Equity Shares outstanding at the end of the reporting period | 1,55,96,000 | 1,55,96,000 | 1,55,96,000 | 1,55,96,000 |

| Shares held by promoters at the end of the year | | | % change during the year |
|---|--------------|-------------------|--------------------------|
| Promoter name | No.of shares | % of total shares | |
| Sat Industries Limited including shares held by nominees. | | | |
| Period ended 30/06/2022 | 14316000 | 91.79 | NIL |
| FY :2021-2022 | 14316000 | 91.79 | NIL |
| FY :2020-2021 | 14316000 | 91.79 | NIL |
| FY : 2019-2020 | 14316000 | 91.79 | NIL |
| Total at the end of each year | 14316000 | 91.79 | NIL |

| Name of the shareholders holding more than 5% shares in the company | As at 30.06.2022 | | As at 31.03.2022 | | As at 31.03.2021 | | As at 31.03.2020 | | |
|---|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|-------|
| Name of shareholder | Class | No. of shares | % | No. of shares | % | No. of shares | % | No. of shares | % |
| Sat Industries Limited and nominees | Equity | 14316000 | 91.79 | 14316000 | 91.79 | 14316000 | 91.79 | 14316000 | 91.79 |
| Sat Invest Private Limited | Equity | 1280000 | 8.21 | 1280000 | 8.21 | 1280000 | 8.21 | 1280000 | 8.21 |

| |
|--|
| Aggregate of number of bonus shares allotted during the period of five years immediately preceding March ,31 |
| |
| Equity Share allotted as fully paid up by way of bonus shares |

| Shares held by holding Company | | As at 30.06.2022 | | As at 31.03.2022 | | As at 31.03.2021 | | As at 31.03.2020 | |
|-------------------------------------|--------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|
| Name of holding Company | Class | No.of shares | % Holding | No.of shares | % Holding | No.of shares | % Holding | No.of shares | % Holding |
| Sat Industries Limited and nominees | Equity | 14316000 | 91.79 | 14316000 | 91.79 | 14316000 | 91.79 | 14316000 | 91.79 |

The Company has only one class of shares referred to as the equity shares having face value of Rs. 10/- each . Each holder of equity share is entitled to one vote per share. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the Annual General Meeting.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

There are no call unpaid on equity shares.

No shares have been reserved for issue on option.

No equity shares have been forfeited.

Note 14**OTHER EQUITY**

| Particulars | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 1.SEURITIES PREMIUM | | | | |
| As per the last year accounts | 280.00 | 280.00 | 280.00 | 280.00 |
| Add: Addition during the year | - | - | - | - |
| | 280.00 | 280.00 | 280.00 | 280.00 |
| 2.GENERAL RESERVE | | | | |
| As per the last year accounts | 79.75 | 79.75 | 79.75 | 79.75 |
| 3.CAPITAL RESERVE ON AMALGAMATION (BUSINESS COMBINATION) | | | | |
| As per the last year accounts | (50.00) | (50.00) | (50.00) | (50.00) |
| Addition during the year-(refer note 35) | - | - | - | (50.00) |
| | (50.00) | (50.00) | (50.00) | (50.00) |
| 4.CAPITAL ISSUE EXPENSES | | | | |
| As per the last year accounts | (24.43) | - | - | - |
| Addition during the year | (15.48) | (24.43) | - | - |
| | (39.91) | (24.43) | - | - |
| 5. RETAINED EARNINGS | | | | |
| As per the last year accounts | 559.73 | 139.40 | 12.17 | (22.02) |
| Add: Balance of amalgamating company-Sat E-Com Limited(Refer note 35) | - | - | - | 4.46 |
| Add: Surplus for the year | 109.68 | 420.33 | 127.23 | 29.68 |
| | 669.41 | 559.73 | 139.40 | 12.12 |
| Equity attributable to the owners of the parent | 939.25 | 845.05 | 449.15 | 321.87 |
| Non-controlling interest | 275.61 | 260.16 | | |
| Total | 1,214.86 | 1,105.21 | 449.15 | 321.87 |

1. Share Premium :

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Act.

2. General Reserve

This includes the amount received from the Government under an incentive scheme for capital expansion and on the expiry of requisite period, the amount was transferred to it.

3. Capital Reserve on amalgamation:

Capital reserve on amalgamation is the difference between the consideration for acquisition of Sat E-Com Limited (SEL) and the amount of share capital and security premium of SEL as per Ind AS 103 (Appendix C), Business combinations of entities under common control (refer note 35).

4.Retained Earnings:

This Reserve represents the cumulative profits of the Company and effects of re-measurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Note 15

| BORROWINGS -NON CURRENT : | As at 30.06.2022 | | As at 31.03.2022 | | As at 31.03.2021 | | As at 31.03.2020 | |
|--|------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|
| | Current | Non-Current | Current | Non-Current | Current | Non-Current | Current | Non-Current |
| SECURED : | | | | | | | | |
| (a) Term Loans: | | | | | | | | |
| from banks : | | | | | | | | |
| I UCO Bank Term Loan- UCO Covid-19 Emergency credit line (UCUCL) | - | - | 3.59 | - | 47.53 | 3.61 | | |
| II UCO Bank :Term Loan- Additional working capital term loan under guarantee emergency credit loan | 27.76 | 46.51 | 37.46 | 46.52 | 27.94 | 86.06 | | |
| III UCO Bank : Term Loan- UCO Guaranteed Emergency Credit Line (GECL) | - | 84.64 | - | 84.67 | - | - | | |
| IV Term Loan | - | 19.73 | - | - | - | - | | |
| IV 'Indusind Bank -FCTL(EPC) | - | - | 10.44 | - | - | - | | |
| V 'Indusind Bank -ELCGS | - | - | 11.24 | 14.04 | - | - | | |
| | 27.76 | 150.88 | 62.73 | 145.23 | 75.47 | 89.67 | - | - |

(I) Borrowings from UCO Bank is secured against equitable mortgage of land and building of the Parent Company situated at E-260-261, Mewar Industrial Area, Madri, Udaipur-313003 and by way of first charge on all current assets such as raw material, finished goods, work-in progress, stores and spares, book debts, and packing materials etc. The loan is repayable in 18 equal monthly instalments of Rs. 411750.00 each commencing from December 8th,2020 and the last instalment is repayable on May 07, 2022.Rate of interest as on 31.03.2022 is 7.30 % per annum. It is also secured by way of personal guarantee of Mr. Asad Daud, Managing Director of the Parent Company.

(II) Borrowings from UCO Bank is secured against equitable mortgage of land and building of the Parent Company situated at E-260-261, Mewar Industrial Area, Madri, Udaipur-313003 and by way of first charge on all current assets such as raw material, finished goods, work-in progress, stores and spares, book debts, and packing materials etc. The loan is repayable in 36 equal monthly instalments Rs. 354611.00 each commencing from June 14th, 2021 and the last instalment is repayable on June 14,2024 Rate of interest as on 31.03.2022 is 7.50 % per annum.It is also secured by way of personal guarantee of Mr. Asad Daud, Managing Director of the Parent Company.

(III) Borrowings from UCO Bank is secured against equitable mortgage of land and building of the Parent Company situated at E-260-261, Mewar Industrial Area, Madri, Udaipur-313003 and by way of first charge on all current assets such as raw material, finished goods, work-in progress, stores and spares, book debts, and packing materials etc. The loan is repayable in 36 equal monthly instalments Rs. 263376.35 each commencing from December 15th, 2023 and the last instalment is repayable on December 15,2026 Rate of interest as on 31.03.2022 is 7.50 % per annum.It is also secured by way of personal guarantee of Mr. Asad Daud, Managing Director of the Parent Company.

(IV) Borrowings from Indusind Bank is secured against first charge over all present and future, current assets and movable fixed assets of the Subsidiary Company situated at G-1 202-203,IID center RIICO, kaladwas, Udaipur-313003. The loan is repayable in 36 equal monthly instalments of Euro 1380.04 each commencing from December 27th,2019 and the last instalment is repayable on December 22, 2022.Rate of interest as on 31.03.2022 is 8.25 % per annum. It is also secured by personal guarantee of directors Mr.Murtaza Ali Moti and Mrs. Fatima Moti. Euro 12420.45 payable @ exchange rate of Rs. 84.062 as on March 31,2022 (Pr. yr. Euro 28980.93 @ exchange rate of Rs. 86.099)

(V) Borrowings from Indusind Bank is secured against second charge over all present and future, current assets and movable fixed assets of the subsidiary Company situated at G-1 202-203,IID center RIICO, kaladwas, Udaipur-313003. The loan is repayable in 35 monthly instalments as per EMI schedule commencing from July 31st,2021 and the last instalment is repayable on June 30, 2024.Rate of interest as on 31.03.2022 is 9.25 % per annum. It is also secured by personal guarantee of directors Mr.Murtaza Ali Moti and Mrs. Fatima Moti.

*There is no continuing default in the payment of principal amount and interest.

Note 16

| DEFERRED TAX LIABILITIES (NET) | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|--|------------------|------------------|------------------|------------------|
| Particulars | | | | |
| Deferred tax liability | 143.13 | 142.67 | 134.76 | 121.17 |
| Add: Opening Balance of Subsidiary | - | (2.35) | - | - |
| Depreciation-Provision | 5.67 | 2.81 | 7.64 | 13.80 |
| Deferred tax assets | - | - | - | - |
| Leave encashment & gratuity (provisions) etc. | - | - | (0.27) | 0.21 |
| Net amount charged to Statement of Profit and Loss | 5.67 | 2.81 | 7.91 | 13.59 |
| Deferred tax liabilities(net) | 148.80 | 143.13 | 142.67 | 134.76 |

Note 17

| BORROWINGS -CURRENT : | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|--|------------------|------------------|------------------|------------------|
| SECURED : | | | | |
| Current maturity of long term debt (for security etc. refer note 15) | 27.76 | 62.73 | 75.47 | - |
| Repayable on demand | | | | |
| from Banks : | | | | |
| UCO Bank -OD account (a) | - | 7.58 | - | - |
| Cash Credit facilities from UCO Bank (b) | 507.73 | 681.98 | 690.54 | 592.12 |
| Cash Credit a/c with indusind Bank (c) | - | 31.75 | - | - |
| | 507.73 | 721.31 | 690.54 | 592.12 |
| UNSECURED : | | | | |
| Repayable on demand | | | | |
| From Bank | | | | |
| Deutsche Bank (pfcf) (d) | 163.46 | 158.52 | - | 226.21 |
| ICICI Bank Ltd (e) | 298.50 | 270.33 | 251.81 | - |
| Deutsche Bank -OD (f) | 93.93 | 94.70 | - | - |
| Indusind Bank -FCTL(EPC) (g) | - | 105.42 | - | - |
| Others | | | | |
| Tata Capital Financial Services Limited (h) | 292.07 | 290.61 | 271.74 | 219.05 |
| Loan related party from Holding Company (i) | 790.18 | 780.00 | - | - |
| Sat Industries Limited | - | - | - | - |
| Other than Related party (i) | 990.43 | 425.00 | - | - |
| | 2,628.57 | 2,124.58 | 523.55 | 445.26 |
| | 3,164.06 | 2,908.62 | 1,289.56 | 1,037.38 |

| |
|---|
| (a) Borrowings from UCO Bank is secured against fixed deposit receipt. It is also secured by way of personal guarantee of Mr. Asad Daud, Managing Director of the Parent Company. Rate of interest as on 30.06.2022 is 5 % per annum. |
| (b) Borrowings from UCO Bank is secured against equitable mortgage of land and building of the Parent Company situated at E-260-261, Mewar Industrial Area, Madri, Udaipur-313003 and by way of first charge on all current assets such as raw material, finished goods, work-in progress, stores and spares, book debts, and packing materials etc. of the Parent Company. It is also secured by way of personal guarantee of Mr. Asad Daud, Managing Director of the Parent Company. Rate of interest as on 30.06.2022 is 9.95 % per annum. |
| (c) Borrowings from Indusind Bank is secured against stock of raw material, WIP & finished goods held for export by the subsidiary Company situated at G-1 202-203, IID center RIICO, Kaladwas, Udaipur-313003. |
| (d) Guaranteed by Mr. Asad Daud, Managing Director and Mr. Hakim Sadiq Ali Tidiwala, Wholetime Director of the parent company. Rate of interest as on 30.06.2022 is LIBOR+350 bps. |
| (e) Guaranteed by Mr. Asad Daud, Managing Director and Mr. Hakim Sadiq Ali Tidiwala, Wholetime Director of the Parent Company. Rate of interest as on 31.03.2022 is 8.75% per annum. |
| (f) Guaranteed by Mr. Asad Daud, Managing Director and Mr. Hakim Sadiq Ali Tidiwala, Wholetime Director of the Parent Company. Rate of interest as on 30.06.2022 is 9.95% per annum. |
| (g) Borrowings from Indusind Bank is secured against stock of raw material, WIP & finished goods held for export by the Subsidiary Company situated at G-1 202-203, IID center RIICO, Kaladwas, Udaipur-313003. |
| (h) Guaranteed by Mr. Asad Daud, Managing Director and Mr. Hakim Sadiq Ali Tidiwala, Wholetime Director of the Parent Company. Rate of interest as on 30.06.2022 is 11.00% per annum. |
| (i) These are repayable on demand. |
| * There is no continuing default in the payment of interest. |

Note 18

| TRADE PAYABLES | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 960.24 | 785.40 | 340.97 | 448.17 |
| | 960.24 | 785.40 | 340.97 | 448.17 |

Trade payables ageing schedule as at 30th June, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | TOTAL |
|---|--|------------------|-------------|-----------|-------------------|---------------|
| | Less than 6 | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed -Micro & small enterprises | 960.22 | 0.01 | 0.01 | - | - | 960.24 |
| (ii) Undisputed Others | | | | | | |
| (iii) Disputed dues – Micro & small enterprises | | | | | | |
| (iv) Disputed dues - Others | | | | | | |
| Total | 960.22 | 0.01 | 0.01 | - | - | 960.24 |

Trade payables ageing schedule as at 31st March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | TOTAL |
|---|--|------------------|-------------|-------------|-------------------|---------------|
| | Less than 6 | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed -Micro & small enterprises | | | | | | |
| (ii) Undisputed Others | 782.85 | 1.45 | 0.40 | 0.68 | - | 785.38 |
| (iii) Disputed dues – Micro & small enterprises | | | | | | |
| (iv) Disputed dues - Others | | | | 0.02 | | 0.02 |
| Total | 782.85 | 1.45 | 0.40 | 0.70 | - | 785.40 |

Trade payables ageing schedule as at 31st March 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | TOTAL |
|---|--|------------------|-----------|-------------|-------------------|---------------|
| | Less than 6 | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed -Micro & small enterprises | | | | | | |
| (ii) Undisputed Others | 340.13 | 0.07 | 0.22 | 0.55 | - | 340.97 |
| (iii) Disputed dues – Micro & small enterprises | | | | | | |
| (iv) Disputed dues - Others | | | | | | |
| Total | 340.13 | 0.07 | 0 | 0.55 | - | 340.97 |

Trade payables ageing schedule as at 31st March 2020

| Particulars | Outstanding for following periods from due date of payment | | | | | TOTAL |
|---|--|------------------|-------------|-----------|-------------------|---------------|
| | Less than 6 | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed -Micro & small enterprises | 447.94 | | 0.23 | | | 448.17 |
| (ii) Undisputed Others | | | | | | -0.00 |
| (iii) Disputed dues – Micro & small enterprises | | | | | | -0.00 |
| (iv) Disputed dues - Others | | | | | | -0.00 |
| Total | 447.94 | - | 0.23 | - | - | 448.17 |

Note 19

| OTHER CURRENT LIABILITIES | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Statutory Liabilities | 34.54 | 39.11 | 67.22 | 33.88 |
| Advance received from customers | 29.25 | 32.87 | 4.69 | 50.57 |
| Payable against DCA and CS of IOCL | 119.33 | 49.39 | 92.34 | |
| Other payables | 10.63 | 1.84 | - | 1.11 |
| | 193.75 | 123.21 | 164.25 | 85.56 |

Note 20

| PROVISIONS | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Provisions for Employee Benefits | - | - | - | 5.35 |
| Provisions for Gratuity | 7.16 | 7.43 | 4.32 | |
| | 7.16 | 7.43 | 4.32 | 5.35 |

Note 21

| CURRENT TAX LIABILITIES | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|---------------------|------------------|
| Current tax (net of advance tax) | - | - | 17.66 | 0.44 |
| Current tax (net of advance tax) 21-22 | 135.85 | 96.33 | 17.66 | 0.44 |
| | 135.85 | 96.33 | 17.66 | 0.44 |

Note 22

| REVENUE FROM OPERATIONS | For the period ended 30.06.2022 | For the year ended 31.03.2022 | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|--------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| (a) Manufactured Goods | 2,348.95 | 6,364.86 | 4,504.48 | 4473.57 |
| (b) Traded Goods : | 331.57 | 1,347.50 | 668.26 | 181.27 |
| (c) Sale of services: | | | | |
| (i) Job work | - | 64.25 | 129.23 | 21.55 |
| (ii) Commission -DCA | 20.12 | 76.27 | 75.85 | 80.39 |
| (iii) Market Resrch Services | - | 90.24 | - | - |
| (iv) Lease Rent | - | - | 12.65 | 9.23 |
| | 20.12 | 230.76 | 217.73 | 111.17 |
| (d) Interest Income (Business) | 21.67 | 108.02 | 67.60 | 75.90 |
| (e) Other Operating Income | | | | |
| I) Export Incentive | - | - | 48.92 | 68.17 |
| | - | - | 48.92 | 68.17 |
| | 2,722.31 | 8,051.14 | 5,506.99 | 4,910.07 |

Note 23

| OTHER INCOME | For the period ended 30.06.2022 | For the year ended 31.03.2022 | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|--|---------------------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| (a) Rent | 0.12 | 0.48 | 0.52 | 0.60 |
| (b) Interest on financial assets on amortised cost | 1.02 | 2.86 | 3.31 | 4.23 |
| (c) Miscellaneous income | 0.17 | 3.07 | - | 3.10 |
| (d) Foreign Exchange Fluctuation | 35.09 | 50.33 | 23.60 | 72.96 |
| (e) Interest on Income tax Refund | - | 0.04 | - | - |
| (f) Subsidy -RIPS | 0.28 | 15.53 | - | - |
| | 36.68 | 72.31 | 27.43 | 80.89 |

Note 24

| COST OF MATERIAL CONSUMED | For the period ended 30.06.2022 | For the year ended 31.03.2022 | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|-----------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| Opening Stock | 570.72 | 202.92 | 133.30 | 133.91 |
| Add: on Consolidation of Subsidiy | 0 | 322.32 | - | - |
| Add: Purchases | 1636.54 | 4777.04 | 3,190.12 | 3,153.02 |
| | 2,207.26 | 5,302.28 | 3,323.42 | 3,286.93 |
| Less: Closing Stock | 646.95 | 570.72 | 202.92 | 133.30 |
| | 1,560.31 | 4,731.56 | 3,120.50 | 3,153.63 |

Note 25

| PURCHASES OF STOCK-IN TRADE | For the period ended 30.06.2022 | For the year ended 31.03.2022 | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| Traded goods | 315.08 | 1,232.15 | 674.56 | 183.70 |
| | 315.08 | 1,232.15 | 674.56 | 183.70 |

Note 26

| CHANGES IN INVENTORIES | For the period ended 30.06.2022 | | For the year ended 31.03.2022 | | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|--------------------------------------|------------------------------------|---------------|-------------------------------|-----------------|-------------------------------|---------------|-------------------------------|---------------|
| Opening Stock : | | | | | | | | |
| Finished Goods | 291.17 | | 105.59 | | 81.08 | | 51.23 | |
| Work-in-progress | 587.51 | | 232.85 | | 313.78 | | 348.68 | |
| Add: Opening of Consolidate Subsidiy | - | | 209.00 | | | | | |
| | | 878.68 | | 547.44 | | 394.86 | | 399.91 |
| Less :Closing Stock : | | | | | | | | |
| Finished Goods | 446.90 | | 291.17 | | 105.59 | | 81.08 | |
| Work-in-progress | 377.86 | | 587.51 | | 232.85 | | 313.78 | |
| | | 824.76 | | 878.68 | | 338.44 | | 394.86 |
| | | 53.92 | | (331.24) | | 56.42 | | 5.05 |

Note 27

| EMPLOYEE BENEFITS | For the period ended 30.06.2022 | For the year ended 31.03.2022 | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|--|---------------------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| (i) Salaries, wages and bonus | 145.84 | 267.73 | 195.96 | 198.49 |
| (ii) Contribution to provident and other funds | 5.07 | 15.87 | 11.13 | 11.32 |
| (iii) Gratuity | 9.38 | 8.56 | 7.29 | 1.87 |
| (vi) Staff welfare expenses | 5.78 | 23.16 | 9.37 | 4.18 |
| | 166.07 | 315.32 | 223.75 | 215.86 |

Note 28

| FINANCE COSTS | For the period ended 30.06.2022 | For the year ended 31.03.2022 | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|--|--------------------------------------|--------------------------------------|--------------------------------------|
| (a) Interest on borrowings | 35.65 | 121.35 | 82.25 | 110.41 |
| (b) Interest of Income Tax | - | - | - | 0.95 |
| (c) Foreign exchange fluctuation on credit facility | - | - | 0.40 | 19.50 |
| (d) Other borrowing costs - Processing Charges | - | 2.15 | 4.29 | 2.50 |
| | 35.65 | 123.50 | 86.94 | 133.36 |

Note 29

| OTHER EXPENSES | For the period ended 30.06.2022 | For the year ended 31.03.2022 | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Advertise and publicity | 0.81 | 4.57 | 3.34 | 0.83 |
| Bad Debts | - | - | - | 45.78 |
| Bag Printing Expenses | 5.39 | 22.97 | 20.91 | 19.35 |
| Bag Stitching Expenses | 22.42 | 121.70 | 107.50 | 107.47 |
| Bank Commission and charges | 4.13 | 18.68 | 24.83 | 25.17 |
| Books & Periodicals | 0.05 | 0.20 | 0.21 | 1.12 |
| Brokerage & commission charges | - | - | - | 0.23 |
| Carriage Outward | 13.15 | 39.89 | 28.35 | 24.02 |
| Other manufacturing Exp. | 5.62 | 30.67 | - | - |
| Charity and Donations | - | 0.95 | 1.15 | - |
| Commission on sales | 5.93 | 15.58 | 48.08 | 81.12 |
| Consultancy | 0.52 | 11.71 | 2.68 | 22.83 |
| Consumption of stores and spare parts | 14.19 | 45.91 | 92.79 | 75.00 |
| Festival Expenses | - | 2.41 | 2.72 | - |
| Diwali Expense | - | - | - | 2.90 |
| Domain Name Registration | 0.05 | 0.05 | 0.45 | 0.95 |
| Early Payment incentive expenses | 0.53 | 0.49 | 0.97 | 2.85 |
| Economic Rent & Service Charges | 0.86 | 0.86 | 0.85 | 0.79 |
| Electric & Power | 85.48 | 313.88 | 292.13 | 321.94 |
| Export Freight , Insurance & other Expenses | 155.99 | 461.14 | 217.16 | 151.92 |
| Fabric Weaving Expenses | 18.59 | 90.06 | 95.74 | 93.39 |
| Loading & Unloading exp. | 0.59 | 0.67 | - | - |
| Fees & Taxes | - | 0.22 | 0.57 | 0.22 |
| Fuel & Lubricant | 8.49 | 22.17 | 22.30 | 18.98 |
| Godown Rent | 6.77 | 16.83 | 10.97 | 5.81 |
| Inspection Charges of bags | 0.12 | 0.89 | 0.40 | 0.02 |
| Inter Unit Transit Expense | - | - | - | 0.24 |
| Insurance Charges | 2.57 | 8.47 | 9.08 | 9.45 |
| Transport Expenses | - | 2.82 | 2.51 | - |
| Job charges | 27.04 | - | 7.71 | 9.93 |
| Lease Rent | 2.09 | 12.54 | 3.14 | - |
| Legal & Professional Exp. | 2.62 | 14.48 | 10.55 | 5.81 |
| Loss on sale of property, plant & equipment | - | - | 3.52 | - |
| Miscellaneous Expenses | 2.45 | 4.03 | 2.19 | 2.26 |
| Material Handling Charges | 1.34 | 2.18 | - | - |
| Packing Materials | 7.34 | 12.91 | 14.83 | 18.14 |
| Payment to Auditors: | | | | |
| (i) as Audit Fee | - | 0.38 | 0.23 | 0.27 |
| (ii) for reimbursement of expenses | 0.02 | 0.03 | 0.01 | 0.03 |
| Postage & Telegram | 1.31 | 3.02 | 2.41 | 3.55 |
| Printing Ink | 9.98 | 36.01 | 45.69 | 38.23 |
| Rating Charges | 1.03 | 0.40 | 0.43 | 0.35 |
| Rebate, Claim & Discounts | 1.92 | 9.58 | 0.51 | 10.75 |
| Repairs & Maintenance (Others) | 8.99 | 28.13 | 19.58 | 43.38 |
| Sales Promotion Exp. | 0.24 | 3.96 | 1.04 | 1.38 |
| Sales Tax Demand | - | - | - | - |
| Staff training exp | - | - | - | 0.20 |
| Software Consultancy | - | - | - | 0.12 |
| Software Expenses | 0.36 | 2.11 | 0.72 | 0.80 |
| Sorting and counting charges | 2.69 | 19.15 | 17.59 | 11.24 |
| Stationery & Printing | 1.66 | 4.14 | 2.30 | 1.63 |
| Export incentive written off | - | - | - | - |
| Subscription & Membership | 0.50 | 2.55 | 0.48 | 0.86 |
| Telephone and Mobile | 0.43 | 2.66 | 2.04 | 2.39 |
| Trade Mark registration expenses | - | - | - | 0.18 |
| Travelling Expenses | 0.69 | 1.64 | 1.19 | 2.91 |
| Vehicle Running & Maintenance Expenses. | 0.97 | 2.00 | 2.36 | 1.71 |
| Warehouse Management charges | 1.22 | 4.70 | 3.99 | 1.67 |
| Water Expenses | 0.43 | 1.87 | 1.28 | 1.24 |
| | 427.57 | 1,402.26 | 1,129.48 | 1,171.41 |

Note 30

| Additional Information | For the period ended 30.06.2022 | For the year ended 31.03.2022 | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|-------------------------------------|--|--------------------------------------|--------------------------------------|--------------------------------------|
| (i) Depreciation and Amortisation : | | | | |
| (a) Depreciation expense | 28.04 | 98.88 | 79.26 | 74.98 |
| (b) Amortization expense | 0.31 | 1.77 | 1.30 | 1.52 |
| | 28.35 | 100.65 | 80.56 | 76.50 |
| (ii) Payment to Auditors: | | | | |
| (a) as Statutory Auditor | - | 0.38 | 0.23 | 0.27 |
| (b) Reimbursement of expenses | 0.02 | 0.03 | 0.01 | 0.03 |
| | 0.02 | 0.41 | 0.24 | 0.30 |

Note 31**Earnings per share**

| | For the period ended 30.06.2022 | For the year ended 31.03.2022 | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|--|------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Earning per share has been computed as under | | | | |
| (a) Profit for the year/period | 125.13 | 437.54 | 127.23 | 29.68 |
| (b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share | 15596000 | 15596000 | 15596000 | 15596000 |
| (c) Effect of potential Equity shares on conversion of outstanding share warrants | 0 | 0 | 0 | 0 |
| (d) Weighted average number of equity shares in computing diluted earnings per share | 15596000 | 15596000 | 15596000 | 15596000 |
| [(b) + (c)] | | | | |
| (e) Earnings per share on profit for the year/period | | | | |
| -Basic (a/b) | 0.802 | 2.806 | 0.816 | 0.190 |
| -Diluted (a/d) | 0.802 | 2.806 | 0.816 | 0.190 |

Note 32**Contingent liabilities and commitments :**

| (a) Contingent liabilities | Rs. in lakhs | | | |
|--|-----------------|------------------|------------------|------------------|
| Claims against excise duty and other matters | 30th June, 2022 | 31st March, 2022 | 31st March, 2021 | 31st March, 2020 |
| (f) Income tax Matters * | 1.61 | 1.61 | 1.61 | 1.61 |
| Total | 1.61 | 1.61 | 1.61 | 1.61 |

*Net of deposit

It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

| GUARANTEES | 30th June, 2022 | 31st March, 2022 | 31st March, 2021 | 31st March, 2020 |
|---|-----------------|------------------|------------------|------------------|
| i) Guarantees issued by banks secured by bank deposits under lien with the bank Rs. 52.36 (Rs.58.64) Lakhs | 500.00 | 500.00 | 407.65 | 407.65 |
| (b) Commitments | | | | |
| • Estimated amount of contracts remaining to be executed on capital accounts and not provided for | 764.44 | | - | 30.15 |

Note 33**Financial Instruments and Related Disclosures :**

1. Capital Management

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals, borrowings etc. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

2. Categories of financial Instruments

| Particulars | Note | As at 30th June, 2022 | | As at 31st March, 2022 | | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---------------------------------|------|-----------------------|------------|------------------------|------------|------------------------|------------|------------------------|------------|
| | | Carrying Value | Fair Value | Carrying Value | Fair Value | Carrying Value | Fair Value | Carrying Value | Fair Value |
| A Financial assets | | | | | | | | | |
| a) Measured at amortised cost | | | | | | | | | |
| i) Cash and cash equivalent | 9 | 90.81 | 90.81 | 189.78 | 189.78 | 194.30 | 194.30 | 104.32 | 104.32 |
| ii) Other Bank balance | 10 | 59.54 | 59.54 | 59.22 | 59.22 | 50.63 | 50.63 | 65.63 | 65.63 |
| iii) Trade receivables | 8 | 1,540.05 | 1,540.05 | 1,385.58 | 1,385.58 | 969.23 | 969.23 | 900.01 | 900.01 |
| vi) Loan | | 941.26 | 941.26 | 697.49 | 697.49 | 685.14 | 685.14 | 82.00 | 82.00 |
| v) Other financial assets | 6 | 66.36 | 66.36 | 66.88 | 66.88 | 56.63 | 56.63 | 52.82 | 52.82 |
| Total Financial assets | | 2698.02 | 2698.02 | 2398.95 | 2398.95 | 1955.93 | 1955.93 | 1204.78 | 1204.78 |
| B Financial Liabilities | | | | | | | | | |
| a) Measured at amortised cost | | | | | | | | | |
| i) Cash Credit facilities | 17 | - | - | 2,908.62 | 2,908.62 | 1,289.56 | 1,289.56 | 1,037.38 | 1,037.38 |
| ii) Term loans- Non current | 15 | 150.88 | 150.88 | 145.23 | 145.23 | 89.67 | 89.67 | - | - |
| iii) Trade payables | 18 | 960.24 | 960.24 | 785.40 | 785.40 | 340.97 | 340.97 | 448.17 | 448.17 |
| iv) Other financial liabilities | 19 | - | - | - | - | - | - | - | - |
| Total financial liabilities | | 1111.12 | 1111.12 | 3839.25 | 3839.25 | 1720.20 | 1720.20 | 1485.55 | 1485.55 |

3 : FINANCIAL RISK MANAGEMENT

The activities of the Company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The Company does regularly monitor, analyze and manage the risks faced by the Company and to set and monitor appropriate risk limits and controls for mitigation of the risks.

A. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes borrowings and investments. The Company has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

(i) Management of interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowings and investments are all in fixed rate instruments.

(ii) Management of price risk:

The Company has no surplus for investment in debt mutual funds, deposits etc. The Company does make deposit with the banks to provide security/margin against guarantee given by the banks. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

(iii) Management of currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade receivables and is therefore exposed to foreign exchange risk. The Company mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures etc.. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

Exposure to currency risk(The Company has exposure only in USD/EURO converted to functional currency i.e.INR)

The currency profile of financial assets and financial liabilities as at June 30,2022, March 31,2022, March 31, 2021 and March 31, 2020, are as below:

| Financial assets | Exposure currency | Rs. In Lakhs | | | |
|-------------------|-------------------|------------------|------------------|------------------|------------------|
| | | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
| Trade receivables | USD | 388.73 | 635.88 | 427.23 | 519.12 |
| | EURO | 307.65 | 34.12 | 192.25 | 77.94 |
| | GBP | 92.74 | 30.94 | - | - |
| Trade payable | USD | 0 | - | 12.25 | 11.34 |
| | EURO | 0 | - | 8.36 | 1.14 |
| | | 696.38 | 670.00 | 598.87 | 584.58 |

Sensitivity analysis

A reasonably possible 5% strengthening (weakening) of the Indian Rupee against USD/EURO at March 31 would have affected the measurement of financial instruments denominated in USD/EURO and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Rs.in lakhs

| | As at | Strengthening | Weakening |
|---------------|------------|---------------|-----------|
| Profit/(Loss) | 31.03.2020 | 29.23 | 29.23 |
| | 31.03.2021 | 29.94 | 29.94 |
| | 31.03.2022 | 30.92 | 30.92 |
| | 30.06.2022 | 39.45 | 39.45 |

B. MANAGEMENT OF CREDIT RISK:

Credit risk refers to the risk of default on its obligations by a counterparty to the Company resulting in a financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables) and foreign exchange transactions and financial instruments.

Credit risk from trade receivables is managed through the Company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Company extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed.

The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognised, where considered appropriate by responsible management.

C. MANAGEMENT OF LIQUIDITY RISK:

Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations. The Company closely monitors its liquidity position and has a cash management system. The Company maintains adequate sources of financing including debt and overdraft from domestic and international banks and financial markets at optimized cost.

The Company's/group (consolidated) Current assets aggregate to Rs.4463.82 lakhs -30th June ,2022, (2022- Rs. 4116.32 lakhs, 2021- Rs. 2573.41 lakhs and 2020- Rs. 2257.26 lakhs), including Cash and cash equivalents and Other bank balances of Rs. 150.35 lakhs(2022-Rs. 239 lakhs-, 2021-Rs. 244.93 lakhs and 2020 - Rs. 169.95 lakhs) against an aggregate Current liability of Rs. 4461. 06 lakhs (2022- Rs. 3913.56 lakhs , 2021- Rs.1816.76 lakhs and 2020 - Rs. 1576.90 Lakhs ; Non-current liabilities due between one year to three years amounting to Rs. 299.68 lakhs - 30th June,2022(2022- Rs. 145.23 lakhs ,2021- Rs. 89.76 lakhs and 2020 - NIL) and Non-current liability due after three years amounting to NIL 30th June ,2022 (2022- NIL, 2021- NIL and 2020- NIL) on the reporting date. Further, while the Company's/ Group's total equity stands at Rs.2774.46 lakhs -30th June ,2022(2022- Rs.2664.81 lakhs, 2021- Rs.2008.75 lakhs and 2020- Rs. 1881.47 lakhs), it has non-current borrowings ofRs. 150.88 lakhs -30th June ,2022(2022- Rs. 145.23 lakhs, 2021- Rs. 89.76 lakhs and 2020 - Rs. NIL). In such circumstances, liquidity risk or the risk that the Company/Group may not be able to settle or meet its obligations as they become due does not exist.

D. Fair value measurement**Fair value hierarchy**

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

| Particulars | Fair value hierarchy | Fair Value as at 30th June , 2022 | Fair Value as at 31 March, 2022 | Fair Value as at 31 March, 2021 | Fair Value as at 31 March, 2020 |
|------------------------------------|----------------------|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| A | | | | | |
| a) Financial assets | | | | | |
| Measured at amortised cost | | | | | |
| i) Cash and cash equivalent | L2 | 90.81 | 189.78 | 194.30 | 104.32 |
| ii) Other Bank balance | L2 | 59.54 | 59.22 | 50.63 | 65.63 |
| iii) Trade receivables | L2 | 1,540.05 | 1,385.58 | 969.23 | 900.01 |
| iv) Loans | | 941.26 | 697.49 | 685.14 | 542.85 |
| v) Other financial assets | L2 | 66.36 | 66.88 | 56.63 | 52.82 |
| Total Financial assets | | 2698.02 | 2398.95 | 1955.93 | 1665.63 |
| b) Financial Liabilities | | | | | |
| Measured at amortised cost | | | | | |
| a) i) Cash Credit facilities | L2 | 0.00 | 2908.62 | 1289.56 | 1037.38 |
| ii) Term loans | L2 | 150.88 | 145.23 | 89.67 | 0.00 |
| iii) Trade payables | L2 | 960.24 | 785.40 | 340.97 | 448.17 |
| iv) Other financial liabilities | L2 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total financial liabilities | | 1111.12 | 3839.25 | 1720.20 | 1485.55 |

Note 34

Disclosures in respect of related parties pursuant to Ind AS 24

(i) Holding Company

01) Sat Industries Limited

(ii) Subsidiary :-

01) Fibcorp Polyweave Private Limited (w.e.f. 05.01.2022)

(iii) Fellow Subsidiary :-

Italica Furniture Private Limited

(iv) Key Managerial Persons

01) Mr. Asad Daud , Managing Director

02) Mr. Hakim Sadiq Ali Tidiwala, Wholtime Director

03) Mr. Murtaza Ali Moti, Chief Executive Officer

04) Mr. Lalit Kumar Bolia, Chief Financial Officer

05) Ms. Runel Saxena , Company Secretary

| Name of related party | Nature of relation | | 01/04/2022 to 30/06/2022 | 2021-22 | 2020-21 | 2019-20 | Nature of transaction |
|-----------------------------------|--------------------------|--|--------------------------|----------|---------|---------|-----------------------|
| Italica Furniture Private limited | Fellow Subsidiary | | 0.06 | 0.24 | 0.28 | 0.28 | Rent Received |
| | | | - | - | 190.00 | 27.00 | Loan Given |
| | | | - | - | 217.00 | - | Loan Received Back |
| | | | - | - | 3.49 | 1.43 | Interest Received |
| Asad Daud | Managing Director | | - | - | - | 50.00 | Loan Taken |
| | | | - | - | - | 50.00 | Loan Repayment |
| | | | - | - | - | 0.53 | Interest Paid |
| | | | - | 1,093.93 | 423.00 | 20.00 | Loan Taken |
| Sat Industries Limited | | | - | 313.93 | 423.00 | 20.00 | Loan Repayment |
| | | | 18.76 | 20.86 | 6.78 | 0.15 | Interest Paid |
| | | | - | - | 25.00 | 100.50 | Loan Given |
| | | | - | 0.38 | - | - | Export Incentive |
| | | | - | - | 50.00 | 75.50 | Loan Received Back |
| | | | 0.06 | 0.24 | 0.28 | 0.28 | Rent Received |
| | | | - | - | 0.82 | 0.65 | Interest Received |
| | | | | | | | |
| Remuneration | Key Management Personnel | | 12.05 | 36.70 | 23.22 | 33.74 | Remuneration |

Rs. In lakhs

| Closing balances | | | | |
|--|------------|------------|------------|------------|
| Name | 30.06.2022 | 31.03.2022 | 31.03.2021 | 31.03.2020 |
| Sat Industries Limited | 791.25* | 780.00* | 172.56* | 25.34* |
| Italica Furniture Private Limited | 0.02** | - | - | 27* |
| Closing balances in the case of other parties is NIL | | | | |

*credit balance

** debit balance

No amount in respect of the related parties have been written off/back are provided for during the year.

Related party relationship has been identified by the Management and relied upon by the auditors.

Note 35**AMALGAMATION OF SUBSIDIARY :**

The Board of Directors of the Company at their meeting held on 18/11/2019 and the shareholders and unsecured creditors of the Company at their respective meetings held on 14/01/2020 and 18/01/2020 unanimously approved the proposal for the amalgamation of its wholly owned subsidiary, Sat E-Com Limited (SEL) with the Company under section 233 of the Companies Act, 2013, subject to all the necessary statutory / regulatory approvals. The Scheme of Amalgamation ("The Scheme") for merger of SEL with the Company has been approved by the Regional Director, North Western (RD-NW), Ministry of Corporate Affairs, Ahmedabad under Section 233 of Chapter XV of the Companies Act, 2013 on 21/08/2020, the Scheme has become effective from appointed date i.e., 1 April 2019 and the effect thereof has been given in these accounts with effect from 01/04/2021. Consequently,

a) In terms of the Scheme, the entire business and the whole of the undertaking of SEL, as a going concern stands transferred to and vested in the Company with effect from April 01, 2019, being the Merger Appointed Date.

b) As SEL was a wholly owned subsidiary of the Company, no consideration was payable pursuant to amalgamation of SEL with the Company.

c) Accounting for Amalgamation:

The amalgamation of SEL with the Company is accounted for on the basis of the Pooling Interest Method as envisaged in the Indian Accounting Standard (Ind AS) - 103 on Accounting for Business Combinations specified in the Companies (Indian Accounting Standard) Rules 2015 and in terms of the scheme, as below,

- All asset and liabilities of the SEL were recorded at their respective book values under the respective accounting heads of the Company

- (Rs. 50.00 lakhs) being the difference between the value of net assets of the SEL transferred to the Company (determined as stated above) and the carrying value of the Company's investment in SEL (cancelled as above) has been adjusted to Capital Reserve of the Company. This accounting treatment of the reserve has been prescribed in the Scheme .

d)SEL was a Company engaged in the business of software etc. , which was 100% subsidiary of the Company.

e)The scheme inter alia provides that upon the Scheme become effective and with effect from the appointed date, the authorised share capital of SEL shall stand transferred to and be merged/amalgamated with the authorised share capital of the Company. Consequently, authorised share capital of the Company enhanced to Rs. 1650 lakhs (divided into 1,65,00,000 equity shares of Rs. 10 each)

f)Summary of relevant quantitative information of SEL as at the appointed date i.e. 1 April, 2019 has been provided below:

| Particulars | Amount (Rs. in lakhs) |
|--|-----------------------|
| A. Assets | 54.49 |
| Liabilities | 0.03 |
| C.Net assets taken over (C = A - B) | 54.46 |
| D.Reserves of SEL vested in SPL | |
| Retained earnings | 4.46 |
| Total reserves (D) | 4.46 |
| E.Cancellation of Investments in equity of SEL held by the Company | 100 |
| F.Capital reserve on amalgamation (C - D - E) | -50.00 |

Note 36**EMPLOYEE BENEFITS****a) DEFINED CONTRIBUTION PLAN**

Provident Fund:

The contributions to the Provident Fund of employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

b) DEFINED BENEFIT PLAN

Gratuity:

The Group /Company participates in the Employees' Group Gratuity-Scheme of Life Insurance Corporation Limited, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity (Amendment) Act, 1997, or as per the Company's scheme whichever is more beneficial to the employees.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Provident Fund:

The Company makes Provident Fund contribution to the Government administered Provident fund. The Company has no part to play in this respect.

c) Amounts Recognised as Expense:**i) Defined Contribution Plan**

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to Rs. 5.07 lakhs June 30,2022(Rs. 15.87 Lakhs -March 31,2022, 2021- Rs. 10.62 Lakhs and 2020- Rs. 10.88 lakhs) has been included under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to Rs. 9.38 lakhs - June 30,2022(Rs. 8.56 lakhs- March 31,2022, 2021- Rs. 2.97 lakhs and 2020- Rs. 1.87 Lakhs) has been included in Note 27 under Contribution to Provident and Other Funds.

Note 37**TAX RECONCILIATIONS**

Rs. in lakhs

| | Period ended June 30, 2022 | Year ended March 31, 2022 | Year ended March 31,2021 | Year ended March 31,2020 |
|--|-------------------------------|------------------------------|-----------------------------|-----------------------------|
| Tax expenses recognised in the Statement of Profit and Loss | | | | |
| Current Tax : | | | | |
| Current tax on profits for the year | 41.24 | 108.90 | 27.07 | 8.18 |
| Deferred tax (Net) | 5.67 | 2.81 | 7.91 | 13.59 |
| Total income tax expenses | 46.91 | 111.71 | 34.98 | 21.77 |

Reconciliation of tax expenses and the accounting profit

The reconciliation between estimated income tax at statutory income tax rate into income tax expenses reported in Statement of Profit and Loss is given below :

| | Period ended June 30, 2022 | Year ended March 31, 2022 | Year ended March 31,2021 | Year ended March 31,2020 |
|--|-------------------------------|------------------------------|-----------------------------|-----------------------------|
| Profit before income tax | 172.04 | 549.25 | 162.21 | 51.45 |
| Indian statutory income tax rate | 27.82% | 27.82% | 27.82% | 26.00% |
| Expected income tax expenses | 47.86 | 152.80 | 45.13 | 13.38 |
| Tax effect of adjustment to reconcile expected income tax Expenses to reported Income tax Expenses | | | | |
| Tax impact of income not subject to tax | - | - | (0.05) | - |
| Tax effects of amounts which are not deductible for taxable income | - | - | 1.30 | - |
| Tax impact due to 43B of the Income tax Act,1961 | - | 0.76 | (0.29) | - |
| MAT credit adjustments | - | - | (10.84) | 8.18 |
| Others | (6.62) | (44.66) | (8.18) | (13.38) |
| | (6.62) | (43.90) | (18.06) | (5.20) |
| Total income tax expenses | 41.24 | 108.90 | 27.07 | 8.18 |
| Effective rate of tax (%) | 23.97 | 19.83 | 16.69 | 15.90 |

Deferred Tax (Liabilities)

| | Period ended June 30, 2022 | Year ended March 31, 2022 | Year ended March 31,2021 | Year ended March 31,2020 |
|---------------------------------------|-------------------------------|------------------------------|-----------------------------|-----------------------------|
| Property Plant and Equipment | 5.67 | 2.81 | 5.05 | 6.86 |
| Others | - | 0.00 | 18.85 | 6.94 |
| Total deferred tax liabilities | 5.67 | 2.81 | 23.90 | 13.80 |

Deferred Tax Assets

| | Period ended June 30, 2022 | Year ended March 31, 2022 | Year ended March 31,2021 | Year ended March 31,2020 |
|----------------------------------|-------------------------------|------------------------------|-----------------------------|-----------------------------|
| Provisions | | | | |
| Others | - | - | 0.59 | 0.21 |
| Total deferred tax Assets | - | - | 0.59 | 0.21 |

Net Deferred tax (Liabilities)/Assets

5.67 2.81 23.31 13.59

Movement in Deferred tax Liabilities /Assets

| | Property, plant and equipment | Other deferred tax liability | Provisions | Other Deferred Tax Assets | Deferred Tax Liabilities/Asset (Net) |
|---|-------------------------------|------------------------------|------------|---------------------------|--------------------------------------|
| As at 31st March, 2019 | 118.93 | -1.22 | 8.21 | 23.6 | 121.17 |
| (Charged)/Credited to profit and Loss account | 6.86 | 6.94 | 0 | 0.21 | 13.59 |
| As at 31st March, 2020 | 125.79 | 5.72 | 8.21 | 23.81 | 134.76 |
| (Charged)/Credited to profit and Loss account | 7.64 | - | 0 | -0.27 | 7.91 |
| As at 31st March, 2021 | 133.43 | 5.72 | 8.21 | 23.54 | 142.67 |
| (Charged)/Credited to profit and Loss account | 2.81 | 0.00 | 0 | 2.35 | 0.46 |
| As at 31st March, 2022 | 136.24 | 5.72 | 8.21 | 25.89 | 143.13 |
| (Charged)/Credited to profit and Loss account | 5.67 | - | 0 | - | 5.67 |
| As at 30th June , 2022 | 141.91 | 5.72 | 8.21 | 25.89 | 148.80 |

The Group/company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

During the year/period, the Company has not accounted for tax credits in respect of Minimum Alternative Tax (MAT credit) of Rs. lakhs as at June 30,2022 , Rs. NIL as at 31st March,2022 , Rs NIL as at March 31, 2021 and Rs 1.33 lakhs as at March 31,2020 . The Company is reasonably not certain availing the said MAT Credit in future years against the normal tax expected to be paid in those years and accordingly has not recognised a deferred tax asset for the same.

| Tax Credits carried forward | As at June 30,2022 | Expiry date | As at March 31,2022 | Expiry date | As at March 31,2021 | Expiry date | As at March 31,2020 | Expiry date |
|-----------------------------|--------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|
| 2012-13 | 0 | NA | 0 | NA | 0.67 | 31.03.2028 | 11.51 | 31.03.2028 |
| 2013-14 | 0 | NA | 0 | NA | 6.00 | 31.03.2029 | 6.00 | 31.03.2029 |
| 2014-15 | 0 | NA | 0 | NA | 3.26 | 31.03.2030 | 3.26 | 31.03.2030 |
| 2017-18 | 0 | NA | 0 | NA | 4.80 | 31.03.2033 | 4.80 | 31.03.2033 |
| 2018-19 | 0 | NA | 0 | NA | 14.49 | 31.03.2034 | 14.49 | 31.03.2034 |
| 2019-20 | 0 | NA | 0 | NA | 1.33 | 31.03.2035 | 1.33 | 31.03.2035 |

Note 38

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues (principal and/or interest), which are outstanding for more than 45 days as at the balance sheet date. During the year, there have been no payments made to Micro, Small and Medium Enterprises beyond 45 days. There were no amounts on account of interest due that were payable for the period where the principal has been paid but interest under the MSMED Act, 2006 not paid. Further, there were no amounts towards interest accrued that were remaining unpaid at the end of accounting year. Accordingly, there were no amounts due to further interest due and payable in the succeeding years.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

| Information relating to the Micro, Small and Medium Enterprises | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
|---|------------------|------------------|------------------|------------------|
| (a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; | - | - | - | - |
| (i) Principal amount | | | | |
| (ii) Interest | | | | |
| (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; | - | - | - | - |
| (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; | - | - | - | - |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - | - | - |
| (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. | - | - | - | - |

Note 39**SEGMENT INFORMATION**

The Group/Company operates in three primary business segments viz. Manufacturing of Fabrics & Woven Sacks etc., Consignment Stockist and financing Activities. In terms of provisions of IND AS 108, Consignment Stockist and financing, presently, are not reportable segments

Secondary :

GEOGRAPHICAL INFORMATION

| | Rs. in lakhs | | | |
|--|---------------|----------------|----------------|----------------|
| | June 30, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Non Current Assets – Within India | 3,071.38 | 2,750.41 | 1,484.44 | 1,335.87 |
| - Outside India | - | - | - | - |
| Revenue from external customers – Within India | 1112.30 | 3272.97 | 2,754.10 | 2,162.96 |
| - Outside India | 1568.22 | 4439.39 | 2,752.89 | 2491.88 |

Note 40

The Group /Company has elected not to apply the Indian Accounting Standard (Ind AS) 116- Leases to account for those leases where underlying assets is of low value.

Note 41

Balances of banks, sundry debtors and trade payables, current liabilities etc. are subject to confirmation and reconciliation.

Note 42

In the opinion of the Management of the parent Company and subsidiary, there is no impairment of assets in accordance with the Ind AS -36 as on the Balance Sheet date.

Note 43

There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 125 of the Companies Act, 2013 as at the year end.

Note 44

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note 45

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs and decimal thereof as per the requirements of Schedule III, unless otherwise stated.

Note 46

Figures are not comparable with each other as the figures for the period /year ended 30th June, 2022 and 31st March, 2022 are consolidated whereas the figures for the years ended 31st March, 2021 and 31st March, 2020 are standalone financial information. Group comprises of Holding Company -Sah Polymers Limited and Subsidiary Company-Fibcorp Polyweave Private Limited.

Note 47

Details of transactions which were eliminated at the time of consolidation and not disclosed in the related party disclosures.

| Name of related party | Nature of relation | 01/04/2022 to 30/06/2022* | 2021-22* | Nature of transaction |
|-----------------------------------|--------------------|---------------------------|----------|-----------------------|
| Fibcorp Polyweave Private Limited | Subsidiary | 326.6 | 387.64 | Purchases |
| | | 46.03 | | Job Charges paid |
| | | 442.56 | 117.99 | Sales |
| | | 2.64 | 10.64 | Rent |
| | | 33.75 | 55.11 | Job work receipt |

*consolidated financial statement for the period ended 30th June, 2022 and year ended 31/03/2022 were prepared and transaction were eliminated. Financial statement for FY 20-21 and 19-20 are standalone.

Note 48

No proceeding has been initiated or pending against the Parent Company and Subsidiary Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

Note 49

The Group /Company has borrowings from banks on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Note 50

The Group is not a declared willful defaulter by any bank or financial institution or other lender.

Note 51

The Group has no transaction with companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act,1956.

Note 52

There is no charges or satisfaction yet to be registered with ROC beyond the statutory period.

Note 53

The Group/Company has complied with the number of layers, wherever applicable, prescribed under clause (87) of section 2 of the Companies Act,2013 read with the Companies (Restriction on number of Layers) Rules,2017.

Note 54

No Scheme of Arrangement has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act,2013.

Note 55

Utilisation of Borrowed funds and share premium :

(a) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) the the Intermediary (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company(ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Group has not received any fund from any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note 56

There is no transaction not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961. Further there is no previously unrecorded income and related assets requiring recording in the books of account during the year .

Note 57

The Group/Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

Note 58

The Group/Company is not covered under section 135 of the Companies Act, 2013.

Note 59

The Group /Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note 60

The Parliament of India has approved the Code on Social Security, 2020 (the Code) which may impact the contributions by the Group/Company towards provident fund, gratuity and ESIC. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. Final rules are yet to be notified. The Group will assess the impact of the Code when it comes into effect and will record related impact, if any.

Note 61**Statement of restatement adjustments**

| A. Impact on restated consolidated total comprehensive income (TCI) (Rs. in lakhs) | | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| Particulars | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
| a) Total comprehensive income/ (loss) as per audited consolidated statement of profit and loss | 125.13 | 437.54 | 127.23 | 29.68 |
| b) Restatement adjustments: | 0 | 0 | 0 | 0 |
| Total impact of restatement adjustments | 0 | 0 | 0 | 0 |
| Restated total comprehensive income/ (loss) | 125.13 | 437.54 | 127.23 | 29.68 |

| B. Impact on total equity (Rs. in lakhs) | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| Particulars | As at 30.06.2022 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2020 |
| Total equity as per audited consolidated balance sheet | 2774.46 | 2664.81 | 2008.75 | 1881.47 |
| Cumulative impact on statement of Profit & loss | 0 | 0 | 0 | 0 |
| Impact on statement of profit and loss for the current year | 0 | 0 | 0 | 0 |
| Restated total equity | 2774.46 | 2664.81 | 2008.75 | 1881.47 |

Note 62

Additional information, as required under schedule III to the Companies Act, 2013, of enterprises controlled as subsidiary (after elimination) for the period ended 30th June, 2022

| Name of the enterprises | Net assets (i.e. total assets minus total liabilities) | | Share in profit/Loss account | | Share in Other comprehensive income | | Share in Total comprehensive income | |
|-----------------------------------|--|-----------------------|--------------------------------------|-----------------------|--|-----------------------|---|-----------------------|
| | As % of consolidated net assets | Amount (Rs. In lakhs) | As % of consolidated profit and loss | Amount (Rs. In lakhs) | As % of consolidated Other comprehensive | Amount (Rs. In lakhs) | As % of consolidated total Comprehensive income | Amount (Rs. In lakhs) |
| Parent | | | | | | | | |
| Sah Polymers Limited | 84.85 | 6393.63 | 74.80 | 93.60 | 0.00 | 0.00 | 74.80 | 93.60 |
| Subsidiary | | | | | | | | |
| Indian | | | | | | | | |
| Fibcorp Polyweave Private Limited | 15.15 | 1141.57 | 25.20 | 31.53 | 0.00 | 0.00 | 25.20 | 31.53 |
| Total | 100.00 | 7535.20 | 100.00 | 125.13 | 0.00 | 0.00 | 100.00 | 125.13 |

Additional information, as required under schedule III to the Companies Act, 2013, of enterprises controlled as subsidiary (after elimination) for the year ended 31st March, 2022

| Name of the enterprises | Net assets (i.e. total assets minus total liabilities) | | Share in profit/Loss account | | Share in Other comprehensive income | | Share in Total comprehensive income | |
|------------------------------------|--|-----------------------|------------------------------|-----------------------|-------------------------------------|-----------------------|--|-----------------------|
| | As % of consolidated | Amount (Rs. In lakhs) | As % of consolidated | Amount (Rs. In lakhs) | As % of consolidated Other | Amount (Rs. In lakhs) | As % of consolidated total Comprehensive | Amount (Rs. In lakhs) |
| Parent | | | | | | | | |
| Sah Polymers Limited | 86.23 | 5921.18 | 95.74 | 402.42 | 0.00 | 0.00 | 95.74 | 402.42 |
| Subsidiary | | | | | | | | |
| Indian | | | | | | | | |
| Fibcorp Polyweave Private Limited* | 13.77 | 945.55 | 4.26 | 17.91 | 0.00 | 0.00 | 4.26 | 17.91 |
| Total | 100.00 | 6866.73 | 100.00 | 420.33 | 0.00 | 0.00 | 100.00 | 420.33 |

* became subsidiary w.e.f.05.01.2022

The Notes referred to above form an integral part of the Restated Financial Statements.

As per our Report Attached

Signatures to the Restated Financial Statements and Notes

For and on behalf of

H R JAIN & CO.,

Chartered Accountants

Firm's Registration No. 000262C

for and on behalf of the Board

ASAD DAUD **HAKIM SADIQ** **LALIT KUMAR** **RUNEL SAXENA**
ALI TIDIWALA **BOLIA**

Managing Director Wholtime Director Chief Financial Officer Company Secretary

Manoj Jain

Partner

Place of signature: Udaipur

Membership No.: 400459

DIN:02491539 DIN : 00119156 M. No.: 28022

Murtaza Ali
Moti
 Chief Executive Officer

Date: November 03, 2022

ICAI UDIN:

SAH POLYMERS LIMITED

Statement of Changes in equity

(1) Current reporting period :

| Rs. in lakhs | | | | | |
|------------------------------------|--|--|---|---|--|
| Equity Share Capital | Balance at the beginning of the current reporting period | 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 |
| For the year ended on 31/03/2022 | 1559.60 | - | - | - | 1559.60 |
| For the period ended on 30/06/2022 | 1559.60 | - | - | - | 1559.60 |

Other equity

| | Statutory Reserve | Reserves & Surplus | | | Retained earnings | Equity Instruments through other Comprehensive | Capital Reserve on amalgamation | Capital issue Expenses | Attributable to owners of the parent | Non-controlling interest | Total |
|--|-------------------|--------------------|--------------------|-----------------|-------------------|--|---------------------------------|------------------------|--------------------------------------|--------------------------|----------|
| | | Capital Reserve | Securities premium | General Reserve | | | | | | | |
| Balance at the end of the reporting period -31/03/2021 | - | - | 280.00 | 79.75 | 139.40 | - | (50.00) | - | 449.15 | - | 449.15 |
| Profit for the year | - | - | - | - | 420.33 | - | - | - | 420.33 | 260.16 | 680.49 |
| Total Comprehensive income for the year | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to/from | - | - | - | - | - | - | - | - | - | - | - |
| Dividend | - | - | - | - | - | - | - | - | - | - | - |
| Capital Expenses | - | - | - | - | - | - | (24.43) | (24.43) | - | - | (24.43) |
| Balance at the end of the reporting period -31/03/2022 | - | - | 280.00 | 79.75 | 559.73 | - | (50.00) | (24.43) | 845.05 | 260.16 | 1,105.21 |
| Profit for the year | - | - | - | - | 109.68 | - | - | - | 109.68 | 15.45 | 125.13 |
| Total Comprehensive income for the year | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to/from | - | - | - | - | - | - | - | - | - | - | - |
| Dividend | - | - | - | - | - | - | - | - | - | - | - |
| Capital Expenses | - | - | - | - | - | - | (24.43) | (24.43) | - | - | (24.43) |
| Balance at the end of the reporting period -30/06/2022 | - | - | 280.00 | 79.75 | 669.41 | - | (50.00) | (48.86) | 930.30 | 275.61 | 1,205.91 |

Equity Share Capital

| | Balance at the beginning of the current reporting period | 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 |
|----------------------------------|--|--|---|---|--|
| For the year ended on 31/03/2020 | 1559.60 | - | - | - | 1559.60 |
| For the year ended on 31/03/2021 | 1559.60 | - | - | - | 1559.60 |

Other equity

| | Reserves and Surplus | | | | Total | Attributable to Parent | Non Controlling Interest | Total |
|---|---|--------------------|-----------------|-------------------|---------|------------------------|--------------------------|---------|
| | Amalgamation Adjustment Deficit Account | Securities premium | General Reserve | Retained earnings | | | | |
| Balance at the beginning of the reporting period - 01/04/2019 | 0 | 280 | 79.75 | (22.02) | 337.73 | 337.73 | - | 337.73 |
| Profit for the year | - | - | - | 29.68 | 29.68 | 29.68 | - | 29.68 |
| Issue of Equity Share | - | - | - | - | - | - | - | - |
| Balance at the end of the reporting period - 31/03/2020 | - | 280.00 | 79.75 | 7.66 | 367.41 | 367.41 | - | 367.41 |
| On amalgamation of subsidiary company | (50.00) | - | - | 4.13 | (45.87) | (45.87) | - | (45.87) |
| Profit for the year | - | - | - | 127.23 | 127.23 | 127.23 | - | 127.23 |
| Issue of Equity Share | - | - | - | - | - | - | - | - |
| Balance at the end of the reporting period - 31/03/2021 | (50.00) | 280.00 | 79.75 | 139.02 | 448.77 | 448.77 | - | 448.77 |

For and on behalf of

H R JAIN & CO.,

Chartered Accountants

Firm's Registration No. 000262C

Manoj Jain
Partner
Place of signature: Udaipur
Membership No.: 400459
Date: November 03, 2022
ICAI UDIN:

ASAD DAUD
Managing Director
DIN:02491539

HAKIM SADIQ ALI TIDIWALA
Wholtime Director
DIN : 00119156

LALIT KUMAR BOLIA
Chief Financial Officer

RUNEL SAXENA
Company Secretary
M. No.: 28022

Murtaza Ali Moti
Chief Executive Officer

OTHER FINANCIAL INFORMATION

The audited financial statements of our Company as at and for the years ended March 31, 2020, March 31, 2021, and March 31, 2022 and three months ended on June 30, 2022 together with all the annexures, schedules and notes thereto (“**Financial Statements**”) are available at www.sahpolymers.com. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations.

The Financial Statements do not constitute, (i) a part of the Draft Red Herring Prospectus; or (ii) this red herring prospectus (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Financial Statements, or the opinions expressed therein.

The details of accounting ratios derived from Restated Standalone and Consolidated Financial Informations required to be disclosed under the SEBI ICDR Regulations are set forth below:

(Rs. in Lakhs except per share data or unless otherwise stated)

| Particular | As on/For the three months ended June 30, 2022* | As on/For the Year ended March 31, 2022 | As on/For the Year ended March 31, 2021 | As on/For the Year ended March 31, 2020 |
|--|--|---|---|---|
| Revenue from operations | 2,722.31 | 8,051.14 | 5,506.99 | 4,910.07 |
| Total income | 2,758.99 | 8,123.45 | 5,534.42 | 4,990.96 |
| | | | | |
| Total Equity (A) | 2,774.46 | 2,664.81 | 2,008.75 | 1,881.47 |
| Restated Profit for the year attributable to equity shareholders (B) | 125.13 | 437.54 | 127.23 | 29.68 |
| Return on Net worth (C) = (B / A) (%) | 4.51% | 16.42% | 6.33% | 1.41% |
| | | | | |
| Restated Profit for the year attributable to equity shareholders (D) | 125.13 | 437.54 | 127.23 | 29.68 |
| Weighted average no. of equity shares for Basic EPS (E) (Nos. in lakhs) | 155.96 | 155.96 | 155.96 | 155.96 |
| Weighted average no. of diluted equity shares for Diluted EPS (F) | 155.96 | 155.96 | 155.96 | 155.96 |
| Basic Earnings Per Share (EPS) (G)= (D / E) | 0.80 | 2.81 | 0.82 | 0.19 |
| Diluted Earnings Per Share (EPS) (H)= (D / F) | 0.80 | 2.81 | 0.82 | 0.19 |
| | | | | |
| Total Equity (I) | 2,774.46 | 2,664.81 | 2,008.75 | 1,881.47 |
| Number of equity shares outstanding at the end of the period (J) (Nos. in lakhs) | 155.96 | 155.96 | 155.96 | 155.96 |
| Net Assets Value (NAV) per Share (I / J) | 17.79 | 17.09 | 12.88 | 12.06 |
| | | | | |
| EBITDA | 236.04 | 773.40 | 329.71 | 261.31 |
| EBITDA Margins (%) | 8.56% | 9.52% | 5.96% | 5.24% |

*Not Annualized

The ratios have been computed as under:

1. Basic EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year/ period

2. *Diluted EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of diluted equity shares outstanding during the year/ period*
3. *Return on Net Worth (%) = Net Profit after tax, as restated for the end of the year/ period divided by Net worth as at the end of the year/period.*
4. *Net Asset Value per share = Net Worth at the end of the year/period divided by total number of equity shares outstanding at the end of year/ period*
5. *EBITDA: Aggregate of restated profit/(loss) before tax, interest cost, depreciation and amortization*
6. *EBITDA Margin= EBITDA divided by total income*
7. *Weighted average number of shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of shares issued during the period 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.*
8. *Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation*

Related Party Transactions

For details of the Related Party Transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations, for period three months ended on June 30, 2022 and for Fiscal 2020, 2021 and 2022, see “*Restated Standalone and Consolidated Financial Informations– Note 34 – Related Party Information as per Ind AS 24*” on page F27 of this Red Herring Prospectus and “*Risk factor- 18*” on page 34 of the RHP.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at June 30, 2022, derived from our Restated Standalone and Consolidated Financial Informations, and as adjusted for the Issue. This table should be read in conjunction with "Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations", on pages 173 and 177 of this Red Herring Prospectus.

(Rs.in Lakhs)

| Particulars | Pre-Issue as at June 30, 2022* | Post Issue |
|---|-----------------------------------|------------|
| Borrowings | | |
| Current Borrowing | 3,164.06 | [●] |
| Non-Current Borrowing | 150.88 | [●] |
| Total Borrowings | 3,314.94 | [●] |
| | | |
| Shareholder's Funds | | |
| Equity Share Capital | 1,559.60 | [●] |
| Reserve and Surplus | 1,214.86 | [●] |
| Total Equity | 2,774.46 | [●] |
| | | |
| Non-Current Borrowing/Total Equity | 0.05 | [●] |
| Total Borrowings/ Total Equity | 1.19 | [●] |

*Not Annualized

Notes:

1. The amounts disclosed above are derived from the Restated Standalone and Consolidated Financial Informations of our Company.
2. The corresponding post-Issue capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.
3. Post Issue Capitalization will be determined after finalization of the Issue Price.

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 Standalone and Consolidated Financial Informations which have been included in this Red Herring Prospectus. The following discussion and analysis of our financial position and results of operations is based on our Restated Standalone and Consolidated Financial Informations for the period ended June 30, 2022 and for financial years ended March 31, 2022, 2010 and 2020 including the related notes and reports, included in this Red Herring 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. GAAP and GAAP in other countries. 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 Standalone and Consolidated Financial Informations will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.

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" on pages 26 and 19, respectively, and elsewhere in this Red Herring Prospectus.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.

BUSINESS OVERVIEW

We are an ISO 9001:2015 certified company, primarily engaged in manufacturing and selling of Polypropylene (PP)/ High Density Polyethylene (HDPE) FIBC Bags, Woven Sacks, HDPE/PP woven fabrics, woven polymer based products of different weight, sizes and colours as per customers specifications. We offer customised bulk packaging solutions to business-to-business ("B2B") manufacturers catering to different industries such as Agro Pesticides Industry, Basic Drug Industry, Cement Industry, Chemical Industry, Fertilizer Industry, Food Products Industry, Textile Industry Ceramic Industry and Steel Industry. Besides, our Company is a Del Credere Associate cum Consignment Stockist (DCA/ CS) of Indian Oil Corporation Limited and also operates as Dealer Operated Polymer Warehouse (DOPW) of Indian Oil Corporation Limited for their polymer division. We enter into arrangements as third-party manufacturers to manufacture our tape and fabric based on customers' requirements.

We have two business divisions (i) domestic sales; and (ii) exports. We have presence in 5 states and 1 union territory for our domestic market based on sales made for the three months ended June 30, 2022 and FY 2022, respectively. Internationally we export our products to 14 countries such as Algeria, Togo, Ghana, Poland, Portugal, France, Italy, Dominican Republic, USA, Australia, UAE, Palestine, UK and Ireland. For the three months ended June 30, 2022 and for Fiscals 2022, 2021 and 2020, our revenue from exports was Rs. 1558.22 lakhs, Rs. 4439.39 lakhs, Rs. 2752.39 lakhs, and Rs. 2491.88 lakhs contributed 57.61%, 55.14%, 49.98% and 50.75% respectively of our revenue from operations. For further details relating to our Business, products, key performance indicators, see the section titled "Our Business" on page 126.

The following table sets forth a breakdown of our revenue from operations, as well as other key performance indicators, for the periods indicated:

(Rs.lakhs, except percentages)

| Key Performance Indicators | 30-06-2022*# | 31-03-2022# | 31-03-2021# | 31-03-2020# |
|--|--------------|-------------|-------------|-------------|
| Revenue from Operations | 2,722.31 | 8,051.14 | 5,506.99 | 4,910.07 |
| Gross Profit(1) | 793.00 | 2,418.67 | 1,655.51 | 1,567.69 |
| Gross Margin(2) | 29.13% | 30.04% | 30.06% | 31.93% |
| EBITDA(3) | 236.04 | 773.40 | 329.71 | 261.31 |
| EBITDA Margin(4) | 8.67% | 9.61% | 5.99% | 5.32% |
| Profit After Tax for the Year / Period | 125.13 | 437.54 | 127.23 | 29.67 |
| PAT Margin(5) | 4.60% | 5.43% | 2.31% | 0.60% |
| ROE(6) | 4.51% | 16.42% | 6.33% | 1.58% |
| ROCE(7) | 0.04 | 0.14 | 0.10 | 0.09 |
| Debt / Equity(8) | 1.19 | 1.15 | 0.69 | 0.55 |

***Not Annualised*

As certified by M/s. H. R Jain & Co, Chartered Accountants vide their certificate dated December 13, 2022.

KPIs disclosed above has been approved by the Audit Committee of the Company in their meeting held on dated December 13, 2022

Notes:

(1) Gross Profit is calculated as revenues from operations less cost of goods sold.

(2) Gross margin is calculated as revenue from operations less cost of goods sold divided by revenues from operations

(3) EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation, and amortisation and impairment expense..

(4) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.

(5) PAT Margin is calculated as restated profit after tax for the year / period as a percentage of revenue from operations.

(6) ROE is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by total equity (total equity excludes non-controlling interest).

(7) ROCE is calculated as EBITDA divided by capital employed.

(8) Debt consist of total borrowings including short term and long term borrowings and equity excludes non-controlling interest.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the business activities or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as mentioned below:

- The Board approved and passed resolution on April 07, 2022 to raise funds by making Initial Public Offering.
- The shareholders approved and passed special resolution on April 13, 2022 to authorize the Board of Directors to raise funds by making Initial Public Offering.
- Clause V of the Memorandum of Association of our Company was amended to reflect increase in the authorized share capital of our Company from Rs. 25,00,00,000 consisting of 2,50,00,000 Equity shares of Rs. 10/- each to Rs. 30,00,00,000 consisting of 3,00,00,000 Equity shares of Rs. 10/- each.
- Fresh term loan has been obtained from UCO Bank, Udaipur as per the sanction letter dated March 09, 2022 under the sanctioned limit of Rs. 3360.00 lakhs
- Our Company acquired 27,884 Equity Shares by way of transfer and 6000 equity shares by way of Rights issue constituting 51.01% of the equity Share Capital of Fibcorp Polyweave Private Limited on January 05, 2022. By virtue of the transaction Fibcorp Polyweave Private Limited has become our Subsidiary with effect from January 05, 2022.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factors" on page 26 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Volatility in supply and pricing of raw material;
2. Outbreak of Covid-19;
3. Default or delay in payment from customers;
4. Changes in laws, rules & regulations and legal uncertainties;
5. Pricing pressures from the competitive business environment;
6. Economic and Demographic condition.

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

- i. The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.
- ii. 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 the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.
- iii. The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

b. Accounting Assumptions:-

i. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

ii. Going Concern:-

The enterprise is normally viewed as a going concern, that is, as continuing in operation for the foreseeable future. It is assumed that the enterprise has neither the intention nor the necessity of liquidation or of curtailing materially the scale of the operations.

iii. Consistency:-

It is assumed that accounting policies are consistent from one period to another.

iv. Accrual:-

Revenues and costs are accrued, that is, recognized as they are earned or incurred (and not as money is received or paid) and recorded in the financial statements of the periods to which they relate. (The considerations affecting the process of matching costs with revenues under the accrual assumption are not dealt with in this Statement.)

c. Valuation of Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on weighted average 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. Net realisable value is the estimated selling price less estimated costs for completion and sale. Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

d. Cash Flow Statements

Cash flows are reported using the indirect method as set out in Indian Accounting Standard -7 on cash flow statement issued by the Institute of Chartered accountants of India.

e. Depreciation and Amortization

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not

depreciated.

f. Revenue Recognition

- a) Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods includes duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as goods and service tax . .
- b) Revenue from the sale of goods is recognized when significant risks and rewards of ownership/control have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable. Revenue from services is recognized in the periods in which the services are rendered. Interest income is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.

g. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment (if any). The cost of a property, plant and equipment comprises its purchase price and any attributable to cost of bringing the asset to its working condition for its intended use. Expenditure on addition, improvements and renewals is capitalized and expenditure for maintenance and repair is charged to Profit and Loss account.

h. Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares outstanding at the end of the year. Diluted earnings per share is calculated by dividing net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity share outstanding at the end of the year.

i. Taxes on Income

Tax expenses comprise of current and deferred tax

Current tax is measured at the amount expected to be paid on the basis of relief and deductions available in accordance with the provisions of Indian Income Tax Act, 1961 and includes Minimum Alternate Tax ("MAT") paid by the company on book profits in accordance with the provisions of the Income Tax Act, 1961. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period and will be able to set off such MAT credit entitlement.

Deferred income tax reflects the impact of the current year reversible timing differences between the taxable income and accounting income for the Year and reversal of timing differences of the earlier Year. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In FY 2019-20 and onwards, in pursuant to section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Law (Amendment) Bill, 2019, the company has as irrevocable option of shifting to lower tax rates along with consequent reduction in certain tax incentives including lapse of accumulated MAT Credit.

j. Impairment of Assets:

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

k. Provision of Contingent Liabilities

In the case of litigations where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

l. Retirement benefits to employee Gratuity:-

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is payable to all eligible employees on death or on separation/ termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

m. Government Grant

Government Grants are recognized when there is a reasonable assurance that the same will be received. Revenue grants are recognized in the Statement of Profit and Loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective Fixed Assets. Other capital grants are credited to Capital Reserve.

n. Current Assets, Loans and Advances

The balance under item of Sundry Debtors, Loans and Advances and Current liabilities are subject to confirmation and reconciliation and consequential adjustments, wherever applicable. However in the opinion of the Management, the realizable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

OVERVIEW OF REVENUE AND EXPENSES

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Revenue

Our total revenue comprises of revenue from operations and other income.

Revenue from operations: Our revenue from operations comprises of revenue from manufactured goods such as HDPE and LDPE bags, traded goods, services revenue including job work income, commission income, lease rent and interest income.

Other Income: Our other income comprises of rent, interest on financial assets on amortised cost, gain/loss on foreign exchange fluctuation and miscellaneous income.

Expenses

Our expenses comprise of cost of materials consumed, purchase of stock-in-trade, Changes in inventories of finished goods, work-in-progress and stock -in-trade, employee benefits expenses, finance costs, depreciation & amortisation expense and other expenses.

Cost of material consumed: Cost of material consumed primarily consists of consumption of HDPE, LDPE and colour chemicals.

Purchase of stock in trade: Purchase of stock in trade includes purchase raw materials for trading purposes.

Changes in inventories of finished goods and work in progress: Changes in inventories of finished goods and work in progress consist of changes in our inventory of finished goods, packing material, stores & consumables between beginning and end of the financial year/period.

Employee benefit expense: Our employee benefit expenses include salaries, wages & bonus, contribution to provident fund and other funds including ESIC & gratuity and staff welfare expenses.

Finance costs: Our finance costs comprise of interest on borrowings, interest on income tax, effect of foreign exchange fluctuation on credit facilities and other borrowing costs.

Depreciation & Amortisation expenses: Depreciation & amortisation expenses comprise of depreciation on tangible fixed assets and amortisation of intangible assets.

Other expenses: Our other expenses consist of direct and indirect expenses. Our direct expenses include bag printing expenses, bag stitching expenses, electricity and power, fabric weaving expenses and sorting, among

others. Our indirect expenses include advertise and publicity, bad debts, bank commission and charges, books & periodicals, brokerage & commission charges, carriage outward, charity and donations, commission on sales, consultancy, consumption of stores and spare parts, festival expenses, diwali expense, domain name registration, early payment incentive expenses, economic rent & service charges, export freight, insurance & other expenses, fees & taxes, fuel & lubricant, godown rent, inspection charges of bags, inter-unit transit expense, insurance charges, transport expenses, job charges, lease rent, legal & professional expense, loss on sale of property, plant & equipment, packing materials, payment to auditors: (i) as audit fee (ii) for reimbursement of expenses, postage & telegram, rating charges, rebate, claims & discounts, repairs & maintenance (others), sales promotion expenses, staff training expenses, software consultancy, software expenses, sorting and counting charges, stationery & printing, subscription & membership, telephone and mobile, trade mark registration expenses, travelling expenses, vehicle running & maintenance expenses, warehouse management charges and water expenses, among others.

Our Results of Operations

The following table sets forth selective financial data from our restated statement of profit & loss for the period ended June 30, 2022 and for the financial years ended March 31, 2022, 2021 and 2020, the components of which are also expressed as a percentage of total revenue for such periods:

(Rs. in Lakhs)

| Particulars | Restated Consolidated Results for the Three Months ended June 30, 2022 | | Restated Consolidated Results for the Year ended March 31, 2022 | | Restated Standalone Results for the Year ended March 31, 2021 | | Restated Standalone Results for the Year ended March 31, 2020 | |
|--------------------------------------|--|---------------|---|---------------|---|---------------|---|---------------|
| | Rs. in Lakhs | (%)* | Rs. in Lakhs | (%)* | Rs. in Lakhs | (%)* | Rs. in Lakhs | (%)* |
| Income: | | | | | | | | |
| Revenue from operations | 2,722.31 | 98.67 | 8,051.14 | 99.11 | 5,506.99 | 99.50 | 4,910.07 | 98.38 |
| Other income | 36.68 | 1.33 | 72.31 | 0.89 | 27.43 | 0.50 | 80.89 | 1.62 |
| Total Revenue | 5,435.70 | 100.00 | 5,534.42 | 100.00 | 5,534.42 | 100.00 | 4,990.96 | 100.00 |
| Expenses: | | | | | | | | |
| Cost of material consumed | 1,560.31 | 56.55 | 4,731.56 | 58.25 | 3,120.50 | 56.38 | 3,153.63 | 63.19 |
| Purchase of Stock-in-Trade | 315.08 | 11.42 | 1,232.15 | 15.17 | 674.56 | 12.19 | 183.70 | 3.68 |
| Changes in Inventory | 53.92 | 1.95 | (331.24) | (4.08) | 56.42 | 1.02 | 5.05 | 0.10 |
| Employee benefit expenses | 166.07 | 6.02 | 315.32 | 3.88 | 223.75 | 4.04 | 215.86 | 4.33 |
| Finance costs | 35.65 | 1.29 | 123.50 | 1.52 | 86.94 | 1.57 | 133.36 | 2.67 |
| Depreciation & amortization expenses | 28.35 | 1.03 | 100.65 | 1.24 | 80.56 | 1.46 | 76.50 | 1.53 |
| Other expenses | 427.57 | 15.50 | 1,402.26 | 17.26 | 1,129.48 | 20.41 | 1,171.41 | 23.47 |
| Total Expenses | 2,586.95 | 93.76 | 7,574.20 | 93.24 | 5,372.21 | 97.07 | 4,939.51 | 98.97 |

| Particulars | Restated Consolidated Results for the Three Months ended June 30, 2022 | | Restated Consolidated Results for the Year ended March 31, 2022 | | Restated Standalone Results for the Year ended March 31, 2021 | | Restated Standalone Results for the Year ended March 31, 2020 | |
|--|--|-------------|---|-------------|---|-------------|---|-------------|
| | Rs. in Lakhs | (%)* | Rs. in Lakhs | (%)* | Rs. in Lakhs | (%)* | Rs. in Lakhs | (%)* |
| Profit before exceptional and taxes | 172.04 | 6.24 | 549.25 | 6.76 | 162.21 | 2.93 | 51.45 | 1.03 |
| Exceptional Items | - | - | - | - | - | - | - | - |
| Profit before tax | 172.04 | 6.24 | 549.25 | 6.76 | 162.21 | 2.93 | 51.45 | 1.03 |
| Tax expense : | | | | | | | | |
| (i) Current tax | 41.24 | 1.49 | 108.90 | 1.34 | 27.07 | 0.49 | 8.18 | 0.16 |
| (ii) Deferred tax | 5.67 | 0.21 | 2.81 | 0.03 | 7.91 | 0.14 | 13.59 | 0.27 |
| Total Tax Expense | 46.91 | 1.70 | 111.71 | 1.38 | 34.98 | 0.63 | 21.77 | 0.44 |
| Profit for the year | 125.13 | 4.54 | 437.54 | 5.39 | 127.23 | 2.30 | 29.68 | 0.59 |

* (%) column represents percentage of total revenue.

SAT ECom Limited was our subsidiary company upto financial year 2019-20 hence consolidated financial statements have been presented upto financial year 2018-19 and standalone financial statements have been presented for the subsequent periods.

Review of Results of Operations for the three months ended June 30, 2022

Revenue

Our total revenue amounted to Rs. 2,758.99 lakhs for the period ended June 30, 2022 which was on account of revenue from operations and other income as described below:

Revenue from operations:

Our revenue from operations was Rs. 2,722.31 lakhs which was 98.67% of the total revenue for the period ended June 30, 2022. The revenue from operations was on account of sales of manufactured goods which included HDPE and LDPE bags of Rs. 2,348.95 lakhs which was 85.14% of our total revenue from operations while income from traded goods was Rs. 331.57 lakhs, accounting for 12.10% of our total revenue from operations. Total income from sales of services which includes commission income was Rs. 20.12 lakhs which was 0.74% of our total revenue from operations and the operating interest income earned was Rs. 21.67 lakhs which was 0.80% of our total from operations. We engage in continuous manufacturing of new varieties based on the orders of our customers to keep up with the trends and meet our customer requirements.

Other income:

Our other income amounted to Rs. 36.68 lakhs representing 1.33% of our total revenue for the period ended June 30, 2022. Our other income comprised of gain on foreign exchange fluctuation of Rs. 35.09 lakhs, interest on financial assets on amortised cost Rs. 1.02 lakhs and other incomes of Rs. 0.57 lakhs.

Expenses

Our total expenses, excluding tax amounted to Rs. 2,586.95 lakhs for the period ended June 30, 2022 representing 93.76% of our total revenue.

Cost of material consumed:

Our cost of material consumed was Rs. 1,560.31 lakhs representing 56.55% of the total revenue for the period ended June 30, 2022. Our cost of material consumed was primarily on account of purchase of HDPE, LDPE and Colour Chemicals.

Purchase of stock in trade:

Our purchase of stock in trade was Rs. 315.08 lakhs representing 11.42% of our total revenue for the period ended June 30, 2022. Our stock in trade purchases were mainly on account of purchases of raw materials like polypropylene, etc.

Changes in inventories of finished goods and work in progress

Our changes in inventories of finished goods and work in progress was Rs. 53.92 lakhs representing 1.95% of our total revenue for the period ended June 30, 2022. It was on account of higher level of opening stock at the end of the period.

Employee benefits expenses:

Our employee benefits expenses were Rs. 166.07 lakhs representing 6.02% of our total revenue for the period ended June 30, 2022. Our employee benefit expenses primarily consisted of salaries, wages & bonus of Rs. 145.84 lakhs, contribution to provident fund and other funds of Rs. 5.07 lakhs, gratuity expenses of Rs. 9.38 lakhs and staff welfare expenses of Rs. 5.78 lakhs.

Finance costs:

Our finance costs were Rs. 35.65 lakhs representing 1.29% of our total revenue for the period ended June 30, 2022, which was solely on account of interest on borrowings (cash credit facilities and term loan) availed by our Company.

Depreciation & amortization:

Our depreciation & amortization expenses were Rs. 28.35 lakhs representing 1.03% of our total revenue for the period ended June 30, 2022.

Other expenses:

Our other expenses were Rs. 427.57 lakhs representing 15.50% of our total revenue for the period ended June 30, 2022. Our expenses majorly comprised of export related costs (freight, insurance & other costs) of Rs. 155.99 lakhs, electricity and power expenses of Rs. 85.48 lakhs, job charges of Rs. 27.04 lakhs, bag stitching expenses of Rs. 22.42 lakhs, fabric weaving expenses of Rs. 18.59 lakhs, consumption of stores and spares of Rs. 14.19 lakhs, carriage outward expenses of Rs. 13.15 lakhs, printing ink expenses of Rs. 9.98 lakhs lakhs, repairs & maintenance expenses of Rs. 8.99 lakhs, among others.

Profit before tax:

Our profit before tax was Rs. 172.04 lakhs representing 6.24% of our total revenue for the period ended June 30, 2022.

Tax expenses

Our tax expense for the period ended June 30, 2022 was Rs. 46.91 lakhs representing 1.70% of our total revenue for the period ended June 30, 2022. It was mainly on account of current tax of Rs. 41.24 lakhs.

Profit after tax

Due to the above mentioned factors, our profit after tax was Rs. 125.13 lakhs representing 4.54% of our total revenue for the period ended June 30, 2022.

Review of Results of Operations for the Financial Year 2021-22

Revenue

Our total revenue amounted to Rs. 8,123.45 lakhs for the financial year 2021-22 which was on account of revenue from operations and other income as described below:

Revenue from operations:

Our revenue from operations was Rs. 8,051.14 lakhs representing 99.11% of the total revenue for the financial year 2021-22. The revenue from operations was on account of sales of manufactured goods which included HDPEC and LDPE bags of Rs. 6,364.86 lakhs which was 79.06% of our total revenue from operations while income from traded goods was Rs. 1,347.50 lakhs representing 16.74% of total revenue from operations.

Total income from sales of services which included jobwork, commission and market research services was Rs. 230.76 lakhs representing 2.87% of our total revenue from operations and the operating interest from business income earned was Rs. 108.02 lakhs representing 1.34% of our total from operations. We continuously engage in manufacturing of new varieties of products based on the orders of our customers to keep up with the trends and meet their requirements.

Other income:

Our other income amounted to Rs. 72.31 lakhs representing 0.89% of our total revenue for the financial year 2021-22. Our other income comprised of gain on foreign exchange fluctuation of Rs. 50.33 lakhs, subsidy income of Rs. 15.53 lakhs, interest on financial assets on amortised cost of Rs. 2.86 lakhs and other incomes of Rs. 3.59 lakhs.

Expenses

Our total expenses, excluding tax amounted to Rs. 7,574.20 lakhs for the financial year 2021-22 representing 93.24% of our total revenue.

Cost of material consumed:

Our cost of material consumed was Rs. 4,731.56 lakhs representing 58.25% of the total revenue for the financial year 2021-22. Our cost of material consumed was primarily on account of purchase of HDPE, LDPE and Colour Chemicals.

Purchase of stock in trade:

Our purchase of stock in trade was Rs. 1,232.15 lakhs representing 15.17% of our total revenue for the financial year 2021-22.

Changes in inventories of finished goods and work in progress

Our changes in inventories of finished goods and work in progress was Rs. (331.24) lakhs representing (4.08%) of our total revenue for the financial year 2021-22. It was on account of higher level of closing stock at the end of the financial year 2021-22 over the opening stock at the beginning of the financial year.

Employee benefits expenses:

Our employee benefits expenses were Rs. 315.32 lakhs representing 3.88% of our total revenue for the financial year 2021-22. Our employee benefit expenses comprised of salaries, wages & bonus of Rs. 267.73 lakhs, contribution to provident fund and other funds of Rs. 15.87 lakhs, gratuity expenses of Rs. 8.56 lakhs and staff welfare expenses of Rs. 23.16 lakhs.

Finance costs:

Our finance costs were Rs. 123.50 lakhs representing 1.52% of our total revenue for the financial year 2021-22, which was mainly on account of interest on borrowings (cash credit facilities and term loan) availed by our Company and other borrowing costs.

Depreciation & amortization:

Our depreciation & amortization expenses were Rs. 100.65 lakhs representing 1.24% of our total revenue for the financial year 2021-22.

Other expenses:

Our other expenses were Rs. 1,402.26 lakhs representing 17.26% of our total revenue for the financial year 2021-22. Our other expenses majorly comprised of export related costs (freight, insurance & other costs) of Rs. 461.14 lakhs, electricity and power expenses of Rs. 313.88 lakhs, bag stitching expenses of Rs. 121.70 lakhs, fabric weaving expenses of Rs. 90.06 lakhs, consumption of stores and spares of Rs. 45.91 lakhs, carriage outward expenses of Rs. 39.89 lakhs, printing ink expenses of Rs. 36.01 lakhs, other manufacturing expenses of Rs. 30.67 lakhs and bag printing expenses of Rs. 22.97 lakhs, among others.

Profit before tax:

Our profit before tax was Rs. 549.25 lakhs representing 6.76% of our total revenue for the financial year 2021-22.

Tax expenses

Our tax expense for the financial year 2021-22 was Rs. 111.71 lakhs representing 1.38% of our total revenue. It was on account of current tax of Rs. 108.90 lakhs and deferred tax of Rs. 2.81 lakhs.

Profit after tax

Due to the above mentioned reasons, our profit after tax was Rs. 437.54 lakhs representing 5.39% of our total revenue for the financial year 2021-22.

Review of Results of Operations for the Financial Year 2020-21

Revenue

Our total revenue amounted to Rs.5,534.42 lakhs for the financial year 2020-21 which was on account of revenue from operations and other income as described below:

Our revenue from operations was Rs.5,506.99 lakhs representing 99.50% of the total revenue for the financial year 2020-21. The revenue from operations was on account of sales of manufactured goods which included HDPEC and LDPE bags of Rs. 4,504.48 lakhs which was 81.80% of our total revenue from operations while income from traded goods was Rs. 668.26 lakhs representing 12.13% of total revenue from operations. Total income from sales of services which includes jobwork, commission and lease rent was Rs. 217.73 lakhs representing 3.95% of our total revenue from operations and the interest from business income earned was Rs. 67.60 lakhs representing 1.23% of our total from operations. Export incentives income was Rs. 48.92 lakhs representing 0.89% of our total revenue from operations. We continuously engage in manufacturing of new varieties of products based on the orders of our customers to keep up with the trends and meet their requirements.

Other income: Our other income decreased by 66.09% to Rs.27.43 lakhs for the financial year 2020-21 from Rs.80.89 lakhs for the financial year 2019-20 mainly due to decrease in gain from foreign exchange fluctuation by Rs. 49.36 lakhs and miscellaneous income by Rs. 3.10 lakhs.

Expenses

Our total expenses, excluding tax amounted to Rs. 5,372.21 lakhs for the financial year 2020-21 representing 97.07% of our total revenue.

Cost of material consumed:

Our cost of material consumed was Rs. 3,120.50 lakhs representing 56.38% of the total revenue for the financial year 2020-21. Our cost of material consumed was primarily on account of purchase of HDPE, LDPE and Colour Chemicals.

Purchase of stock in trade:

Our purchase of stock in trade was Rs.674.56 lakhs representing 12.19% of our total revenue for the financial year 2020-21. Our stock in trade purchases were mainly on account of purchases of raw materials like polypropylene, etc.

Changes in inventories of finished goods and work in progress

Our changes in inventories of finished goods and work in progress was Rs. 56.42 lakhs representing 1.02% of our total revenue for the financial year 2020-21. It was on account of higher level of opening stock at the beginning of the financial year 2020-21 over the closing of the financial year.

Employee benefits expenses:

Our employee benefits expenses were Rs. 223.75 lakhs representing 4.04% of our total revenue for the financial year 2020-21. Our employee benefit expenses comprised of salaries, wages & bonus of Rs. 195.96 lakhs, contribution to provident fund and other funds of Rs. 11.13 lakhs, gratuity expenses of Rs. 7.29 lakhs and staff welfare expenses of Rs. 9.37 lakhs.

Finance costs:

Our finance costs was Rs.86.94 lakhs representing 1.57% of our total revenue for the financial year 2020-21, which was mainly on account of interest on borrowings (cash credit facilities and term loan) availed by our Company.

Depreciation & amortization:

Our depreciation & amortization expenses were Rs.80.56 lakhs representing 1.46% of our total revenue for the financial year 2020-21.

Other expenses:

Our other expenses were Rs. 1,129.48 lakhs representing 20.41% of our total revenue for the financial year 2020-21. Our other expenses majorly comprised of electricity and power expenses of Rs. 292.13 lakhs, export related costs (freight, insurance & other costs) of Rs. 217.16 lakhs, bag stitching expenses of Rs. 107.50 lakhs, fabric weaving expenses of Rs. 95.74 lakhs, consumption of stores and spares of Rs. 92.79 lakhs, sales commission of Rs. 48.08 lakhs, printing ink expenses of Rs. 45.69 lakhs, carriage outward expenses of Rs. 28.35 lakhs, bank commission of Rs. 24.83 lakhs, fuel and lubricant expenses of Rs. 22.30 lakhs, bag printing expenses of Rs. 20.91 lakhs, repairs & maintenance expenses of Rs. 19.58 lakhs, among others.

Profit before tax:

Our profit before tax was Rs.162.21 lakhs representing 2.93% of our total revenue for the financial year 2020-21.

Tax expenses

Our tax expense for the financial year 2020-21 was Rs.34.98 lakhs representing 0.63% of our total revenue. It was on account of current tax of Rs.27.07 lakhs and deferred tax of Rs. 7.91 lakhs.

Profit after tax

Due to the above mentioned reasons, our profit after tax was Rs.127.23 lakhs representing 2.30% of our total revenue for the financial year 2020-21.

FINANCIAL YEAR 2020-21 COMPARED WITH FINANCIAL YEAR 2019-20

Total Revenue

Our total revenue increased by 10.89% to Rs. 5,534.42 lakhs for the financial year 2020-21 from Rs. 4,990.96 lakhs for the financial year 2019-20 due to the factors described below:

Revenue from operations

Our revenue from operations increased by 12.16% to Rs. 5,506.99 lakhs for the financial year 2020-21 from Rs. 4,910.07 lakhs for the financial year 2019-20 mainly due to increase in revenue from the traded goods by Rs. 486.99 lakhs, revenue from jobwork by Rs. 107.68 lakhs, revenue from manufactured goods by Rs. 30.91 lakhs, services revenue by Rs. 106.56 lakhs which was partially offset by decrease in export incentives by Rs. 19.25 lakhs and decrease in business interest income by Rs. 8.30 lakhs.

Other income:

Our other income decreased by 66.09% to Rs. 27.43 lakhs for the financial year 2021-22 from Rs. 80.89 lakhs for the financial year 2019-20 mainly due to decrease in gain on foreign exchange fluctuation by Rs. 49.36 lakhs and miscellaneous income by Rs. 3.10 lakhs, among others.

Total Expenses

Our total expenses increased by 8.76% to Rs. 5,372.21 lakhs for the financial year 2020-21 from Rs. 4,939.51 lakhs for the financial year 2019-20, due to the factors described below:

Cost of material consumed:

Our cost of material consumed decreased by 1.05% to Rs. 3,120.50 lakhs for the financial year 2020-21 from Rs. 3,153.63 lakhs for the financial year 2019-20. The decrease was mainly on account of significant increase in trading related purchases and sales during the financial year 2020-21 over sale of manufactured goods.

Purchase of stock-in-trade:

Our purchases of stock-in-trade increased by 267.21% to Rs. 674.56 lakhs in the financial year 2020-21 from Rs. 183.70 lakhs from in the financial year 2019-20 due to increase in our trading activity during the year.

Employee benefits expenses:

Our employee benefit expenses increased by 3.66% to Rs. 223.75 lakhs for the financial year 2020-21 from Rs. 215.86 lakhs for the financial year 2019-20. The increase was mainly due to increase in gratuity and staff welfare expenses by Rs. 10.61 lakhs which was partially set by decrease in salaries, wages and bonus and provident fund expenses by Rs. 2.72 lakhs.

Finance costs:

Our finance costs decreased by 34.81% to Rs. 86.94 lakhs for the financial year 2020-21 from Rs. 133.36 lakhs for the financial year 2019-20. Decrease in our finance costs was mainly due to decrease in interest on borrowings by Rs. 28.16 lakhs and decrease in foreign exchange fluctuation cost on borrowings by Rs. 19.10 lakhs.

Depreciation & amortization expense:

Our depreciation & amortization expense increased by 5.31 % to Rs. 80.56 lakhs for the financial year 2020-21 from Rs. 76.50 lakhs for the financial year 2019-20. Net addition to gross block was Rs. 222.13 during the financial year 2020-21 leading to increase in depreciation and amortisation expense during the financial year 2020-21.

Other expenses:

Our other expenses decreased by 3.58% to Rs. 1,129.48 lakhs for the financial year 2020-21 from Rs. 1,171.41 lakhs for the financial year 2019-20. The decrease was majorly on account of decrease in bad debts by Rs. 45.78 lakhs, sales commission by Rs. 33.04 lakhs, electricity and power expenses by Rs. 29.81 lakhs, repairs and maintenance expenses by Rs. 23.80 lakhs, consultancy expenses by Rs. 20.15 lakhs, rebate, claim and discount expenses by Rs. 10.24 lakhs, among others. However, the decrease was partially offset by increase in export freight, insurance & other expenses by Rs. 65.24 lakhs, consumption of stores and spare parts of Rs. 17.79 lakhs, among others.

Profit before tax:

Our profit before tax increased by 215.29% to Rs. 162.21 lakhs for the financial year 2020-21 from Rs. 51.45 lakhs for the financial year 2019-20. Our profit before tax as a % of total revenue for the financial year 2020-21 also increased to 2.93% from 1.03% for the financial year 2019-20.

Tax expenses:

Our tax expenses increased by 60.68% to Rs. 34.98 lakhs for the financial year 2020-21 from Rs. 21.77 lakhs for the financial year 2019-20 due to increase in our profit during the financial year 2020-21 as above.

Profit after tax:

Due to reasons mentioned above, our profit after tax increased by 328.70% to Rs. 127.23 lakhs for the financial year 2020-21 from Rs. 29.68 lakhs for the financial year 2019-20.

i) Increase / (Decrease) Total Liabilities in the past Three Financial years:

| Particulars (amt. rs. In lakhs) | Jun-22 | Mar-22 | Mar-21 | Mar-20 |
|--|---------------|---------------|---------------|---------------|
| Total Liabilities (Excluding Eq+Reserves) | 4,760.74 | 4,201.92 | 2,049.10 | 1,711.66 |
| Increase / (Decrease) in Value | 558.82 | 2,152.82 | 337.44 | (69.33) |
| Increase / (Decrease) in % | 13.3% | 105.1% | 19.7% | (3.9)% |

ii) Defaults of default Loans:

As on the date of Red Herring Prospectus, there are no default in repayment of Loans.

iii) Increase / (Decrease) in other income from FY. 20 to FY.21 and FY 21 to FY 22 and FY 22 to Stub period:

| Particulars | Jun-22 | Mar-22 | Mar-21 | Mar-20 |
|--------------------|---------------|---------------|---------------|---------------|
| | | | | |

| Particulars | Jun-22 | Mar-22 | Mar-21 | Mar-20 |
|--------------------------------|---------|--------|---------|--------|
| Other Income | 36.68 | 72.31 | 27.43 | 80.89 |
| Increase / (Decrease) in Value | (35.63) | 44.88 | (53.46) | 38.15 |
| Increase / (Decrease) in % | (49.3)% | 163.6% | (66.1)% | 89.3% |

iv) Increase/ Decrease in total Non-Current Assets: from FY. 20 to FY.21 and FY 21 to FY 22 and FY 22 to Stub period

| Particulars | Jun-22 | Mar-22 | Mar-21 | Mar-20 |
|--------------------------------|----------|----------|----------|----------|
| Non Current Assets | 3,071.38 | 2,750.41 | 1,484.44 | 1,381.41 |
| Increase / (Decrease) in Value | 320.97 | 1,265.97 | 103.03 | (11.30) |
| Increase / (Decrease) in % | 11.7% | 85.3% | 7.5% | -0.8% |

(Rs. In Lakhs)

| Particulars | Jun-22 | Mar-22 | Mar-21 | Mar-20 | Mar-19 |
|--------------------------------|----------|----------|----------|----------|----------|
| Non Current Assets | 3,071.38 | 2,750.41 | 1,484.44 | 1,381.41 | 1,392.71 |
| Increase / (Decrease) in Value | 320.97 | 1,265.97 | 103.03 | -11.30 | |
| Increase / (Decrease) in % | 11.7% | 85.3% | 7.5% | -0.8% | |

v) Increase / (Decrease) in Total Current Assets from FY. 20 to FY.21 and FY 21 to FY 22 and FY 22 to Stub period:

(Rs. In Lakhs)

| Particulars | Jun-22 | Mar-22 | Mar-21 | Mar-20 |
|--------------------------------|----------|----------|----------|----------|
| Total Current Assets | 4,463.82 | 4,116.32 | 2,573.41 | 2,257.26 |
| Increase / (Decrease) in Value | 347.50 | 1,542.91 | 316.15 | (28.35) |
| Increase / (Decrease) in % | 8.4% | 60.0% | 14.0% | (1.2)% |

vi) Increase / (Decrease) in Profit from FY. 20 to FY.21 and FY 21 to FY 22 and FY 22 to Stub period :

(Rs. In Lakhs)

| Particulars (Rs. In Lakhs) | Jun-22 | Mar-22 | Mar-21 | Mar-20 |
|--------------------------------|----------|--------|--------|---------|
| PAT | 125.13 | 437.54 | 127.23 | 29.68 |
| Increase / (Decrease) in Value | (312.41) | 310.31 | 97.55 | (7.45) |
| Increase / (Decrease) in % | (71.4)% | 243.9% | 328.7% | (20.1)% |

vii) Debt Service Coverage Ratio for last 3 years & stub period.

| Particulars | Jun-22 | Mar-22 | Mar-21 | Mar-20 |
|----------------------|---------|---------|---------|---------|
| Net operating income | 2722.31 | 8051.14 | 5506.99 | 4910.07 |
| Total debt | 3314.06 | 3053.85 | 1379.23 | 1037.38 |
| Ratio | 0.82 | 2.64 | 3.99 | 4.73 |
| In % | 82.14% | 263.64% | 399.28% | 473.31% |

Other Key Ratios

| Particulars | For the Three Months ended June 30, 2022* | For the year ended March 31, | | |
|----------------------------|---|------------------------------|------|------|
| | | 2022 | 2021 | 2020 |
| Fixed Asset Turnover Ratio | 1.74 | 5.17 | 3.88 | 3.86 |
| Debt Equity Ratio | 1.19 | 1.15 | 0.69 | 0.55 |
| Current Ratio | 1.01 | 1.07 | 1.48 | 1.43 |
| Inventory Turnover Ratio | 1.69 | 5.16 | 9.64 | 8.76 |

*Not Annualized

Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total property, plant & equipment, based on the Restated Standalone and Consolidated Financial Information. Total property, plant & equipment does not include capital work-in-progress and intangible assets.

Debt Equity Ratio: This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings & current maturities of long term borrowings, based on the Restated Standalone and Consolidated Financial Information.

Current Ratio: This is defined as current assets divided by current liabilities, based on the Restated Standalone and Consolidated Financial Information. Current maturities of long term debt has not been included in the current liabilities for calculation of the Current Ratio above.

Inventory Turnover Ratio: This is defined as revenue from operations divided by closing inventories, based on the Restated Financial Information.

Cash Flow

The table below summaries our cash flows from our Restated Standalone and Consolidated Financial Information for the period ended June 30, 2022 and for the financial years ended March 31, 2022, 2021 and 2020:

(Rs. in lakhs)

| Particulars | For the Three Months ended June 30, 2022* | For year ended March 31, | | |
|--|---|--------------------------|----------|----------|
| | | 2022 | 2021 | 2020 |
| Net cash flow generated from/ (utilized in) operating activities (A) | (20.94) | (79.22) | 138.92 | 259.10 |
| Net cash flow utilized in investing activities (B) | (287.99) | (1,079.37) | (233.06) | (83.07) |
| Net cash flow generated from/ (utilized in) financing activities (C) | 423.54 | 1,111.12 | 85.71 | (166.32) |
| Net (decrease)/ increase in cash & cash equivalents (A+B+C) | 114.61 | (47.47) | (8.43) | 9.71 |
| Cash and cash equivalents at the beginning of the period/ year | 189.78 | 253.69 | 104.31 | 98.30 |
| Cash and cash equivalents at the end of the period/ year | 90.81 | 189.78 | 194.30 | 104.32 |

*Not Annualised

Cash flow from Operating Activities

For the three months ended June 30, 2022

Our net cash used in operating activities was Rs. 20.94 lakhs for period ended June 30, 2022. Our operating profit before working capital changes was Rs. 242.18 lakhs for period ended June 30, 2022 which was mainly adjusted by increase in trade receivables by Rs. 154.47 lakhs, increase in other current liabilities and provisions by Rs. 70.54 lakhs, increase in loan by Rs. 243.77 lakhs, increase in trade payables by Rs. 174.84 lakhs, increase in other non-current assets by Rs. 60.83 lakhs, decrease in non-current financial assets by Rs. 0.52 lakh, increase in other current assets by Rs. 2.21 lakhs, increase in inventories by Rs. 45.40 lakhs and payment of income tax of Rs. 1.72 lakhs.

For the Financial year 2021-22

Our net cash used in operating activities was Rs. 79.22 lakhs for the financial year 2021-22. Our operating profit before working capital changes was Rs. 768.30 lakhs for the financial year 2021-22 which was mainly adjusted by increase in trade receivables by Rs. 80.15 lakhs, decrease in other current liabilities and provision by Rs. 64.10 lakhs, increase in loan by Rs. 7.49 lakhs, decrease in trade payables by Rs. 64.50 lakhs, increase in other non-current assets by Rs. 131.89 lakhs, increase in inventories by Rs. 442.43 lakhs and payment of income tax of Rs. 30.23 lakhs, among others.

For the Financial year 2020-21

Our net cash generated from operating activities was Rs. 138.92 lakhs for the financial year 2020-21. Our operating profit before working capital changes was Rs. 325.23 lakhs for the financial year 2020-21 which was mainly adjusted by increase in trade receivables by Rs.69.22 lakhs, increase in other current liabilities and provision byRs. 77.66 lakhs, increase in financial liabilities byRs. 75.47 lakhs, increase in loan by Rs. 82.00 lakhs, decrease in trade payables byRs. 107.14 lakhs, increase in other current assets by Rs. 241.36 lakhs, increase in inventoriesbyRs. 10.80 lakhs and payment of income tax of Rs. 9.85 lakhs.

Financial year 2019-20

Our net cash generated from operating activities was Rs.259.10 lakhs for the financial year 2019-20. Our operating profit before working capital changes was Rs.257.87 lakhs for the financial year 2019-20 which was mainly adjusted by increase in trade receivables byRs. 25.91 lakhs, decrease in financial liabilities byRs. 62.50 lakhs, increase in other current liabilities and provisions byRs. 27.41 lakhs, increase in financial assets by Rs. 82.00 lakhs, increase in trade payables by Rs. 51.06 lakhs, increase in non-current financial assets byRs. 32.29 lakhs, decrease in other current assets by Rs. 102.37 lakhs, increase in tax assets by Rs. 25.29 lakhs, decrease in inventories by Rs. 18.09 lakhs and payment of Income tax of Rs. 17.10 lakhs.

Cash flow from Investing Activities

For the three months ended June 30, 2022

Net cash used in investing activities was Rs. 287.99 lakhs for the period ended June 30, 2022. This was mainly on account of increase in capital work in progress by Rs. 257.05 lakhs, purchase of fixed assets amounting to Rs. 31.96 lakhs.

For the financial year 2021-22

Net cash used in investing activities was Rs. 1,079.37 lakhs for the financial year 2021-22. This was mainly on account of increase in capital work in progress by Rs. 666.69 lakhs, adjustments on consolidation of subsidiary, purchase of fixed assets of Rs. 110.18 lakhs, among others.

Financial year 2020-21

Net cash used in investing activities was Rs. 233.06 lakhs for the financial year 2020-21. This was mainly on account of purchase of fixed assets of Rs. 235.22 lakhs and deployment of funds towards capital work in progress of Rs. 1.75 lakhs.

Financial year 2019-20

Net cash used in investing activities was Rs. 83.07 lakhs for the financial year 2019-20. This was mainly on account of purchase of fixed assets amounting to Rs. 87.30 lakhs.

Cash flow from Financing Activities

For the three months ended June 30, 2022

Net cash generated from financing activities for the period ended June 30, 2022 was Rs. 423.54 lakhs. This was mainly on account of net increase in borrowings by Rs. 474.67 lakhs, interest expenses of Rs. 35.65 lakhs and capital issue expenses of Rs. 15.48 lakhs.

For the financial year 2021-22

Net cash generated from financing activities for the financial year 2021-22 was Rs. 1,111.12 lakhs. This was mainly on account of net increase in borrowings by Rs. 1,256.90 lakhs which was partially offset by payment of interest of Rs. 121.35 lakhs and capital issue expenses of Rs. 24.43 lakhs.

Financial year 2020-21

Net cash generated in financing activities for the financial year 2020-21 was Rs. 85.71 lakhs. This was mainly on account of increase in borrowings of Rs.167.96 lakhs which was partially offset by payment of interest of Rs. 82.25 lakhs.

Financial year 2019-20

Net cash used in financing activities for the financial year 2019-20 was Rs. 166.32 lakhs. This was on account of repayment of borrowings of Rs. 32.96 and payment of interest of Rs. 133.36 lakhs.

Financial Indebtedness

As on June 30, 2022 the total outstanding borrowings of our Company is Rs. 3,314.94 lakhs which included long-term borrowings of Rs. 178.64 lakhs (including current maturities of long term borrowings) and short term borrowings of Rs. 3,136.30 lakhs. For further details, refer chapter titled “*Financial Indebtedness*” on 188 of this Red Herring Prospectus.

(Rs. in lakhs)

| Particulars | As at June 30, 2022* |
|--|-----------------------------|
| <i>Long Term Borrowings</i> | |
| Secured borrowings from banks and financial institutions | 150.88 |
| Sub Total (A) | 150.88 |
| | |
| <i>Short Term Borrowings</i> | |
| Secured borrowings from banks and financial institutions | 507.73 |
| Unsecured borrowings from banks and financial institutions | 847.96 |
| Unsecured borrowings from promoters and related parties | 1,780.61 |
| Sub Total (B) | 3,136.30 |
| | |
| <i>Current Maturities of Long Term Borrowings (C)</i> | 27.76 |
| | |
| Total (A)+(B)+(C) | 3,314.94 |

**Not Annualised*

In the event, any of our lenders declare an event of default, such current and any future defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition.

Related Party Transactions

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration payable, consultancy received, interest paid, purchase & sale of goods, loans & deposits taken & paid, advance to suppliers and Issue of Equity Shares. For further details of such related parties under Ind AS 24, refer chapter titled “*Financial Statements*” on page 173 of this Red Herring Prospectus and *Risk factor- 18*” on page 34 of the RHP.

Contingent Liabilities

The following table sets forth our contingent liabilities as of As at June 30, 2022 and March 31, 2022, as per the Restated Standalone and Consolidated Financial Informations:

(Rs. In Lakhs)

| Particulars | As at June 30, 2022* | As at March 31, 2022 |
|---|-----------------------------|-----------------------------|
| (a) Contingent liabilities | | |
| Tax Matters | 1.61 | 1.61 |
| Guarantees issued by banks secured by bank deposits under lien with the bank Rs. 52.36 (Rs.58.64) Lakh | 500.00 | 500.00 |
| (b) Commitments | | |
| Estimated amount of contracts remaining to be executed on capital accounts and not provided for | 764.44 | 779.42 |

** Not Annualized*

It is not practical for our Company to estimate the timings of cash outflow, if any in respect of above pending resolutions of the respective proceedings. For further details, refer chapter titled “*Financial Statements*” on page 173 of this Red Herring Prospectus.

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

Financial Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, to the extent possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Effect of Inflation

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

Reservations, Qualifications and Adverse Remarks

Except as disclosed in chapter titled “*Financial Statements*” on page 173 of this Red Herring Prospectus, there have been no reservations, qualifications and adverse remarks.

Details of Default, if any, including therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution

Except as disclosed in chapter titled “*Financial Statements*” on page 173 of this Red Herring Prospectus, there have been no delays or defaults in payment of statutory dues or repayment of debentures & interest thereon or repayment of deposits & interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last three Fiscals.

Unusual or Infrequent Events or Transactions

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income from continuing operations except as described in chapter titled “*Risk Factors*” on page 26 of this Red Herring Prospectus.

Known Trends or Uncertainties that have had or are expected to have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations

Other than as described in the section titled “*Risk Factors*” on page 26 of this Red Herring Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known

Other than as described in chapter titled “*Risk Factors*” on page 26 of this Red Herring Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

The Restated Financial Statement comprise of consolidated financial statements of Sah Polymers Limited (‘the Company’ or ‘the Holding Company’) and its subsidiary, Fibcorp Polyweave Private (‘the Subsidiary’) for the year ended 31.03.2022 and period ended 30th June, 2022, as Fibcorp Private Limited became subsidiary with effect from 05.01.2022 and stand alone Financial Statements for the year ended 31.03.2021 and 31.03.2020

Total Turnover of Each Major Industry Segment in Which the Issuer Operates

Our company works under single reportable Industry segment.

Competitive Conditions

We have competition with Indian and international manufacturers & traders and our results of operations could be affected by competition in the polymers packaging, jumbo bags and FIB industry in India. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This may impact our financial condition and operations. For details, please refer to the chapter titled “*Risk Factors*” on page 26 of this Red Herring Prospectus.

Increase in income

Increases in our income are due to the factors described above in this chapter under “factors effecting *Our Results of Operations*” on page 178 of this Red Herring Prospectus.

Status of any Publicly Announced New Products or Business Segments

Except as disclosed elsewhere in the Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Dependence on a Single or Few 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 suppliers vis-a-vis the revenue from operations and raw materials purchase respectively for the period ended on June 30, 2022 and for the financial year ended as on March 31, 2022 based on Restated Standalone Financial Information are as follows:

| Particulars | Suppliers | | Customers | |
|-------------|----------------------|----------------------|----------------------|----------------------|
| | As on June 30, 2022* | As on March 31, 2022 | As on June 30, 2022* | As on March 31, 2022 |
| Top 5 (%) | 74.25 | 68.34 | 43.62 | 47.50 |
| Top 10 (%) | 96.84 | 76.24 | 61.72 | 65.83 |

*Not Annualised

Seasonality of Business

The nature of our business is not seasonal. For further details please refer chapter titled “*Risk Factors*” on page 26 of this Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Our Company avail loans and financing facilities in the ordinary course of our business for meeting our working capital and business requirements. For details of the borrowing powers of our Board, see “*Our Management- Borrowing Powers*” on page 158 of this Red Herring Prospectus. We have obtained the necessary consents required under the relevant financing documentation for undertaking activities in relation to the Issue, including effecting a change in our capital structure, change in our shareholding pattern, change in our constitutional documents and change in the composition of our Board.

The details of the indebtedness of our Company as on October 31, 2022 is provided below:

| Category of borrowing | Sanctioned Amount | Outstanding Amount as on October 31, 2022 [^] |
|---|-------------------|--|
| (Rs. in Lakhs) | | |
| Fund Based Borrowings | | |
| Cash Credit Limit (1) (2) | 700.00 | 638.51 |
| Covid-19 Emergency credit line (UCECL) | 70.00 | - |
| WC Term Loan–Under Government emergency credit line (GECL) | 114.00 | 58.53 |
| FD/OD | 4.65 | - |
| Addition Working Capital Term Loan under GECL | 84.67 | 84.06 |
| Pre Shipment/ Post Shipment (PEA/EBP) Credit and Overdraft Facility | 225.00 | 212.91 |
| Overdraft Facility | 300.00 | 285.00 |
| Channel Finance Facility (3) | 300.00 | 289.94 |
| Vehicle Term Loan | 20.00 | 18.64 |
| HDFC Term Loan | 24.62 | 24.62 |
| Term Loan | 1000.00 | 992.77 |
| Total fund based borrowings (A) | 2,842.94 | 2,604.98 |
| Non-Fund Based Borrowings | | |
| Bank Guarantee (Performance /Financial) (1) | 720.00 | 700.00 |
| Total Non-Fund based borrowings (B) | 720.00 | 700.00 |
| Unsecured loans from bank, NBFC and Holding company (C) | - | 2712.85 |
| Total borrowings (D=A+B+C) | 3,562.94 | 6,017.83 |

[^]As certified by our Statutory Auditors, M/s. H.R.Jain & Co., Chartered Accountants vide their certificate dated November 23, 2022.

- (1) One of our lenders, UCO Bank vide sanction letter dated March 09, 2022 has (i) sanctioned Term Loan of Rs. 1,000.00 lakhs (ii) enhanced the cash credit limit from Rs. 700 lakhs to Rs. 1,640.00 lakhs, and (iii) enhanced the Working Capital Non Fund Based Bank Guarantee (Financial) limit from Rs. 520 lakhs to Rs. 720.00 lakh; disbursement of such loans and limits has not been yet made as on the date of this RHP.
- (2) As per the statement from UCO Bank, as on March 31, 2022, closing balance of cash credit is Rs. 637.74 lakhs while as per our Company’s books, closing balance of cash credit is Rs. 664.50 lakhs, the difference of Rs. 26.75 lakhs is due to amount in transit and has been made part of reconciliation statement.
- (3) Included in the table above, our Company has availed Channel Financing facility from Tata Capital Financial Services Limited of Rs. 300.00 lakhs vide their Renewal letter dated November 26, 2020. As on March 31, 2022, Rs. 288.15 lakhs is outstanding towards the said facility. Our Company proposes to repay the said amount out of the Net Proceed of the Issue. For further details, please refer chapter titled “Objects of the Issue” on page 90 of this Red Herring Prospectus.

Principal terms of the borrowings availed by our company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company.

1. **Interest:** In terms of the loans availed by us, the interest rate typically ranges from 7.00% per annum to 11.00% per annum. For certain loans, the interest rate is the base rate of a Float rate plus a defined spread

- per annum or MBLR plus defined spread or LIBOR plus defined bps or Repo rate plus defined spread. The spread varies among different loans for different banks.
2. **Tenor:**The tenor of the facilities availed by our Company typically ranges from one day (for OD) to 66 months.
 3. **Security:**
 - i. Secured against equitable mortgage of land and building of the Company situated at E-260-261, Mewar Industrial Area, Madri, Udaipur-313003 and by way of first charge on all current assets such as raw material, finished goods, work -in progress, stores and spares , book debts, and packing materials etc.
 - ii. Collateral -Mortgage by deposit of title deeds pertaining to Commercial Property bearing Office No. 98,9th Floor, 8-Wing, Mittal Tower Premises CSL, Plot No. 210, Free Press Journal Marg, Nariman point, Mumbai 400021.C S Nos.1957 of fort Division, Nariman Point,Mumbai-400021 held in the name of SAT INVEST PVT LTD having registered address 121, Floor 12th, Plot 210, B-Wing, Mittal Tower, Free Press Journal Marg, Nariman Point, Mumbai 400021 Subject to restrictions, if any, stipulated by RBI.
 - iii. Personal Guarantee by Mr Asad Daud , Managing Director; Hakim sadiq Ali Tidiwala, Whole time Director ; and Space Age Polymers LLP
 - iv. Entire fixed assets and current assets of firm (both present & future);
 - v. Hypothecation of vehicle
 4. **Repayment:** The term loan facilities are typically repayable between 24 months to 60 months as per the repayment schedule agreed between our Company and the lenders, forming part of the loan documentation entered into between the lenders and us, or on demand.
 5. **Key Terms and Covenants:** Certain borrowing arrangements entered into by us contain mandatory covenants and terms, including, inter alia:
 - i. The bank will have the right to examine at all times, the company's books of accounts and to have the company's Project-sites inspected from time to time, by Officer(s) of the Bank and/or qualified auditors or concurrent auditors appointed by the bank and/or technical experts and/or management consultants or other persons of the Bank's choice. Cost of such inspection will be borne by the company.
 - ii. During the currency of the bank's credit facilities, the company will not, without the bank's/lead arranger's prior permission in writing-
 - a. Effect any change in the company's capital structure.
 - b. Formulate any scheme of amalgamation or re-construction or restructuring of any kind
 - c. Invest by way of share capital in. or lend or advance funds to. or place deposits with any other concern: (normal trade credit or security deposits in the normal course of business or advance to employees, can however, be extended). undertake guarantee obligations on behalf of any other company, firm or person.
 - d. Declare dividends for any year except out of profits relating to that year after making all due necessary provisions and provided 'further that no default had occurred in any repayment obligations.
 - e. Monies brought in by principal shareholders/directors/depositors will not be allowed to be withdrawn without the Bank's /consortiums' permission.
 - f. The company should not made any major change in their management set up without the bank's permission.
 - g. Pay consideration/commission to the guarantors whose guarantees have been stipulated/ furnished for the credit limits sanctioned by the Bank.
 - h. Create any further charge, lien or encumbrance over the assets and properties of the company charged to the bank in favour of any other Banks. Financial Institution, Company, firm or Person.
 - i. Sell, assign mortgage or otherwise dispose off any of the fixed assets charged to the bank and
 - j. Undertake any activity other than that for which the facilities has been sanctioned
 - k. The Company will route it's entire dealings with the existing lenders as well as with the lenders participating in the project including our bank and will not make any financial arrangement (term loan/WC) for the proposed project with any other Bank without our bank/Consortium's prior consent.
 - iii. The company should maintain separate books and records which should correctly reflect their financial position and scope of operations and should submit to the bank/consortium leader at regular intervals such statements as may be prescribed by the bank In terms of RBI instructions issued from time to time.

- iv. The company shall keep bank advised of any circumstances adversely affecting the financial position of their Subsidiary/group company or companies in which it has invested, including any action taken by any creditor against the said companies legally or otherwise.
- v. The bank will have the .option of appointing its nominee on the board of directors of the company to look after its Interest. The director's normal fees and expenses will be defrayed by the company.
- vi. The credit facility should be utilised for the specific purpose for which the some has been sanctioned and if bank has reason to believe that the company has violated or apprehends that the company are about to violate the said condition, the bank will have the option to exercise its right to recall the entire loan or any port thereof at once.
- vii. Standard Covenants as per IBA to be complied by the party as per HO Circular No CHO/ARBD/49 /2015-16 dated 21/03/2016 to be provided by the branch.
- viii. In respect of names of the Lenders in whose favor personal guarantees have been executed, please refer following table:

| Name of the Lenders | Personal Guarantees given by: |
|----------------------------|--|
| ICICI Bank | Mr Asad Daud ,Mr. Hakim sadiq Ali Tidiwala |
| HDFC bank | Mr Asad Daud ,Mr. Hakim sadiq Ali Tidiwala |
| TATA | Mr Asad Daud ,Mr. Hakim sadiq Ali Tidiwala |
| UCO Bank | Mr Asad Daud |

Note-There has not been any instances where personal guarantees given by the promoter is revoked or invoked.

For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see “Risk Factors – Our lenders have charge over our movable and immovable properties in respect of finance availed by us. Our inability to meet our obligations under our debt financing arrangements could adversely affect our business, results of operations and cash flows.” on page 32 of this Red Herring Prospectus.

**SECTION VI – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

Except as stated in this section, there are no outstanding (I) criminal proceedings involving our Company, Subsidiary, Group Company, Directors, or Promoters (“Relevant Parties”); (II) actions taken by statutory or regulatory authorities involving Relevant parties, (III) disciplinary action including penalty imposed by the SEBI or Stock Exchanges against our Promoters in the last five Fiscals, including outstanding action, (IV) outstanding claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“Materiality Policy”), in each case involving our Company, Promoters, Directors, Group Company and Subsidiary, (the “Relevant Parties”). Further, (i) there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action; and (ii) there is no pending litigation involving our Group company which will have a material impact on our Company.

For the purpose of (V) above, our Board in its meeting held on July 31, 2021, has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties.

In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last three Fiscals including outstanding action, and tax matters, would be considered ‘material’ if:

- (A) the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the company as per the last audited financial statement,
- (B) where the decision in one litigation is likely to affect the decision in similar litigations even though the amount involved in such single litigation individually may not exceed 1% of the profit after tax of the company as per the last audited financial statements, if similar litigations put together collectively exceed 1% of the profit after tax of the company, or
- (C) litigation whose outcome could have a material impact on the business, operations, prospects or reputation of the company and the board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the board or any of its committees.

Except as stated in this section, there are no outstanding material dues (as defined below) to (i) creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on July 31, 2021 has considered such creditors ‘material’ to whom the amount due is equal to or in excess of 5% of the total trade payables of our Company as of the end of the latest period included in the Restated Financial Information. The trade payables of our Company as on June 30, 2022, was Rs. 804.58 lakhs. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds Rs. 40.23 lakhs as on June 30, 2022.

For the purposes of the above, pre-litigation notices received by our Company, the Subsidiary, the Promoters, the Directors or Group company from third parties (excluding those notices issued by statutory/regulatory/governmental/ tax authorities) have not been, unless otherwise decided by the Board of Directors, considered as an outstanding litigation for the purposes of point (v) above, until such time such party is impleaded as a defendant or respondent in proceedings before any legal/arbitral forum

Unless otherwise stated to the contrary, the information provided is as of the date of this Red Herring Prospectus.

OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, SUBSIDIARY, DIRECTORS, PROMOTERS AND GROUP COMPANY

(Rs. in lakhs)

| Nature of Case | Number of Cases | Outstanding Amount |
|----------------|-----------------|--------------------|
| Company | | |
| Direct Tax (I) | 1 | 1.62 |
| Indirect Tax | - | - |

| | | |
|----------------------|---|------|
| Directors | | |
| Direct Tax(2) | 1 | 0.01 |
| Indirect Tax | - | - |
| Promoter | | |
| Direct Tax(3) | 2 | 1.81 |
| Indirect Tax | - | - |
| Group company | | |
| Direct Tax(4) | 2 | 1.50 |
| Indirect Tax | - | - |
| Subsidiary | | |
| Direct Tax(5) | 1 | 0.08 |
| Indirect Tax | - | - |

Note: The amounts indicated above are approximate amounts and have been disclosed to the extent ascertainable.

The amounts indicated above include appeals under the Income Tax Act, 1961 ("I.T. Act") for various assessment years and the details thereof are:

- 1) For the Income Tax demand raised in the AY 2015-2016 by the Income Tax Authority: - An appeal in the form No. 35 against an order under section 143(3) of the Income Tax Act has been filed on June 15, 2016 by the Issuer Company involving disputed demand of Rs. 2,52,370/-. Consequent to the tax payment of Rs. 50,600/- (Net of Deposit) in the F.Y 2017-18 and adjustment of refund of Rs. 41,070/- for F.Y 2016-17 currently the Demand outstanding is Rs.1,59,700/- and the Interest accrued on the same is Rs. 2,513/- aggregating to Rs. 1,62,213/-. Further, the appeal is pending before the Hon'ble Commissioner of Income Tax (Appeals).
- 2) The Income Tax Department raised in the AY 2012-2013 by the Income Tax Authority of Rs.640/- and the Interest accrued on the same is Rs. 126/- aggregating to Rs. 766/- in case of our director Hakim Sadiq Ali Tidiwala. Our directors has paid the demand of Rs. 766/- through bank challan 10296 dated 04/09/2021 however still income tax site is reflecting the outstanding demand of Rs. 766/-.
- 3) The Income Tax Department raised a demand of Rs. 99,357/- inclusive of interest in F.Y 2007-08 and the Company has made payment of the same in F.Y. 2008-09. However currently, there is an outstanding demand of Rs. 81,077/- and accrued Interest of Rs. 64,545/- aggregating to Rs. 1,45,622/- reflecting on the Income Tax Portal pertaining to AY 2006-0 in the case of our corporate promoter – Sat Industries Limited and the demand is under dispute.
There is an outstanding demand of Rs. 35,757/- i.e. the final interest reflecting in the case of our corporate promoter – Sat Industries Limited, on the Income Tax Portal pertaining to AY 2008-09 and the demand is under dispute.
- 4) For the Income Tax demand raised for the AY 2019-2020. an appeal against an order under section 143(1) of the Income Tax Act has been filed on September 24, 2019 by our Group Company - Italica Furniture Private Limited involving disputed demand of Rs. 1,23,100/-. Further, the appeal is pending before the Hon'ble Commissioner of Income Tax (Appeals).
There is an outstanding demand of Rs. 26,810/- reflecting in the case of our Group Company – Italica Furniture Limited, on the Income Tax Portal pertaining to AY 2012-13.
- 5) The Income Tax Department raised in the AY 2018-2019 by the Income Tax Authority of Rs.7670/- in the case of our Subsidiary Company FibcorpPolyweave Private Limited

OTHER MATERIAL LITIGATIONS

LITIGATION INVOLVING OUR COMPANY

A. LITIGATIONS AGAINST OUR COMPANY:

(a) **CRIMINAL MATTERS:**

Nil

(b) **WILFUL DEFAULTER:**

Our Company does not appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on Wilful Defaulters'.

(c) **ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES¹:**

Nil

(d) **OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

Nil

B. LITIGATIONS FILED BY OUR COMPANY:

(a) **CRIMINAL MATTERS:**

i. **Sah Polymers Vs. Rahul Parakh**

Sah Polymers Limited had filed a complaint dated July 24, 2019 under section 138 of the Negotiable Instruments Act, 1881 against Shri Rahul Parakh (Prop. Shreeji Traders) vide Case No. RJUD02-001849-2020. The accused company required polymer granules and requested the complainant company on which the complainant company made a request to the Indian Oil Corporation Ltd. The complainant company issued a cheque of Rs. 77,818/- to Indian Oil Corporation Ltd and a cheque vide number 631551 was issued by the accused as on 28th May, 2019. . Due to non-availability of funds, in the bank account of the accused, the bank dishonoured and returned the cheque to the complainant company with a memorandum stating “funds insufficient”. On 13th June, 2019, a registered notice under the Negotiable Instruments Act, 1881 was sent to the home and shop address of the accused. This notice was received by the accused on 15th June, 2019. The accused, through his Advocate, Rajesh Jajodia replied to the notice stating that the cheque was given as security.. The reply further stated that the cheque is to be returned to the accused otherwise action will be taken against the complainant company. Despite receiving the notice on 15th June, 2019, the accused has not paid the amount. The Court of the Special Judicial Magistrate admitted the complaint of Sah Polymers and issued summons to Rahul Parakh proprietor of Shreeji Traders to appear on 10th November, 2021. The accused failed to appear on the said date and the case is pending at the stage of service of summons. The matter was disposed off on 16.09.2022 as reflected in case status on official court website. The order is yet to be uploaded by the concerned court.

ii. **Sah Polymers Vs . Shree ShyamMadhav Polybags Pvt Ltd**

Sah Polymers Limited had filed a complaint dated April 03, 2019 under section 138 of the Negotiable Instruments Act, 1881 against ShyamMadhav Polybags Pvt Ltd and its Directors vide Case No. RJUD02-003968-2019.

The accused company required polymer granules and requested the complainant company on which the complainant company made a request to the Indian Oil Corporation Ltd. Cheque number 702344 dated 03.01.2019 of Rs.50,00,000/ - (Rupees Fifty Lakhs) was issued by the accused to the complainant company. The complainant company presented it to UCO Bank, Bapu Bazar Udaipur on 04th January, 2019 for clearing but the same was dishonored due to insufficient funds. A registered notice was sent to the accused dated 29th January, 2019 and 31st January, 2019 demanding payment of the returned cheque within 15 days and despite receiving the notice on 01st February, 2019 the accused has not made the payment till date. Thereafter, the accused director accepted and signed the letter of acknowledgment of arrears. A cheque no. 702354 dated 27th February, 2019 was issued for Rs. 43,79,733/- vide and the same was presented for payment on 28.02.2019 but the bank returned the cheque on 03 March, 2019 due to non-availability of funds. A registered notice was sent on 6th March, 2019 to pay amount within 15 days from date of receipt of notice and a mail was also sent on 12th March, 2019. The court of Special Judicial Magistrate issued summons to the director of Shri ShyamMadhav Polybags Pvt Ltd Shri Ajay Singh Chauhan to appear on 3rd July, 2019. He has not appeared and the litigation is pending at the stage of service of summons. The next date in the matter is 16th January 2023 for the purpose of service of non-bailable warrant on the Respondent.

iii. **Sah Polymers Vs. SLT Packers (Firm)**

C. Sah Polymers Limited had filed a complaint dated November 22, 2019 under section 138 of the Negotiable Instruments Act, 1881 against S.L.T. Packers (Firm), Prop. Shri NandkishoreJajra vide case

¹ The Regulatory or Statutory Authorities for the purpose of this Chapter include but are not limited to SEBI, RBI etc.

number RJUD02-002892-2021. The complainant company had supplied material (polymer granules) on behalf of IOCL to the accused from time to time. The accused issued a cheque number 213019 dated 15-10-2019 for Rs.65,29,807/- . A notice was sent to the accused which was received by the accused on 07th October, 2019. However, the accused failed to make payment till 14th October, 2019. On 19th October, 2019, the bank of the accused dishonored the cheque and returned the cheque with memo stating “insufficient funds” on 21st October, 2019 . The complainant through a registered notice under section 138 of Negotiable of Instruments Act, 1881 dated 31st October,2019 which was received by the accused on 2nd November,2019 and 4th November,2019. Despite the same, the accused had failed to pay. The Court of Special Judicial Magistrate admitted the complaint of the complainant and issued summons to the proprietor of SLT Packers. The last date in the matter was 10th November, 2022 for the purpose of service of non-bailable warrant on the accused

D. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

i. Sah Polymers Limited Vs. Polypak Ghana Ltd. & Richard Nana Danso-Tawaiah

A Writ of Summons dated December 02, 2019 had been filed before the Hon’ble High/Circuit Court of Justice Commercial Division, Accra by Sah Polymers Limited against Polypak Ghana Ltd. & Richard Nana Danso-Tawaiah vide Suit No. CM/RPC/0272/2020 whereby Sah Polymers filed the statement of claim wherein it is stated that Sah Polymers Ltd supplied goods to Polypak Ghana Ltd between 22nd February 2018 and 31st October, 2018 and raised 4 separate invoices for each consignment. The total cost was USD 160,460.50 of which Polypak Ghana Ltd paid a total of USD 65,500. Despite, repeated acknowledgement of the debt and assurances Polypak Ghana Ltd only paid another USD 10,000 as on 11th September 2019 and the balance outstanding amount owed to Sah Polymers was USD 84,960.50. Polypak Ghana Ltd filed a Statement of Defence dated February 26th, 2020 in response accepting the claims of Sah Polymers regarding outstanding amount owed by Polypak Ghana Ltd owing to unexpected business challenges faced at harbour and denied stating that Richard Nana Danso,Tawaiah, Managing Director is not liable in his personal capacity.

The Hon’ble High Court of Justice, Accra vide its judgement dated May 29th, 2021 ruled in the favour of Sah Polymers and held that a sum of USD \$84,960.50 (for the sake of convenience, rate of 1 USD\$ is equal to 78.94 INR as on June 30, 2022) and interest thereon at the commercial bank rate from 11th September, 2019 be awarded to Sah Polymers Limited to be received from Polypak Ghana Ltd and additionally cost of GHC 5,000, now replaced by GHS (for the sake of convenience, rate of 1 GHS is equal to 6.03 INR as on June 30, 2022) has been awarded to the Company against Polypak Ghana Ltd.

LITIGATION INVOLVING DIRECTORS OF OUR COMPANY

A. LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY:

(b) CRIMINAL MATTERS:

Nil

(c) WILFUL DEFAULTERS:

None of our Directors’ appear on the Wilful Defaulters’ list as per the Reserve Bank of India Circular on Wilful Defaulters’.

(d) ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES:

Nil

(e) OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

B. LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY:

(f) CRIMINAL MATTERS:

Nil

(g) OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

LITIGATION INVOLVING OUR PROMOTERS

A. LITIGATIONS AGAINST OUR PROMOTER/S:

- (h) CRIMINAL MATTERS:**
Nil
- (i) DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST OUR PROMOTERS IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION:**
Nil
- (j) WILFUL DEFAULTERS:**
None of our Promoters' appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on Wilful Defaulters'.
- (k) ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES:**
Nil

B. LITIGATIONS FILED BY OUR PROMOTER/S:

- (l) CRIMINAL MATTERS:**
Nil
- (m) OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**
Nil

C. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY: Nil

LITIGATION INVOLVING OUR GROUP COMPANY

A. LITIGATIONS AGAINST OUR GROUP COMPANY:

- (n) CRIMINAL MATTERS:**
Nil
- (o) OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**
Nil

B. LITIGATIONS FILED BY OUR GROUP COMPANY:

- (p) CRIMINAL MATTERS:**
Nil
- (q) OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**
Nil

LITIGATION INVOLVING OUR SUBSIDIARY COMPANY

A. LITIGATIONS AGAINST OUR SUBSIDIARY COMPANY:

- (r) CRIMINAL MATTERS:**
Nil
- (s) OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**
Nil

B. LITIGATIONS FILED BY OUR SUBSIDIARY COMPANY:

- (t) CRIMINAL MATTERS:**
Nil

- (u) **OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**
Nil

DISCIPLINARY ACTION AGAINST OUR COMPANY, AND PROMOTERS BY SEBI OR ANY STOCK EXCHANGE IN THE LAST FIVE FINANCIAL YEARS

Nil

Details of dues to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006

As of March 31, 2022 ans, there were no cases of dues to micro and small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

Outstanding dues to Creditors

As per the Materiality Policy, creditors to whom an amount exceeding *Rs. 40.23 lakhs*, which is 5 % of the total trade payables of our Company as of the end of the latest period included in the Restated Financial Information, were considered 'material' creditors. Based on the above, the creditors of our Company as on June 30, 2022, are set out below For further details, please see website at www.sahpolymers.com.

| Type of creditors | No. of creditors | Amount Involved in INR lakhs |
|------------------------|------------------|------------------------------|
| Material creditors | 5 | 222.40 |
| Non material creditors | 136 | 582.18 |
| Total | | 804.58 |

MATERIAL DEVELOPMENTS

Except as disclosed in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 177 there have been no material developments, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances, which materially and adversely affect, or are likely to affect our trading or profitability of our Company or the value of our assets or our ability to pay our liabilities within the next 12 months.

OTHER INFORMATION

The name of one of our Promoter group Company viz; Aeroflex Industries Limited., is appearing in the list of wilful defaulter issued by CIBIL in relation to default in payment with respect to various facilities availed by the Company in the past from State Bank of India (“SBI”), Axis Bank, Bank of India, UCO Bank, Exim Bank and Allahabad Bank (hereinafter collectively referred to as “Consortium”) in the year 2009 and prior thereto for its business. Due to certain unfortunate commercials and financial events prevailing at the time, Aeroflex Industries Limited could not honor the financial commitments made to the banks in time. The Board of Directors in their meeting held on July 14, 2010 formed an opinion as to the sickness of the Company and filed an application under Section 15 of Sick Industrial Companies Act, 1985 with the Board for Industrial and Financial Reconstruction. It was observed by the Hon’ble Bench that the possession of assets of the Company had been taken over by State Bank of India and it was decided that the secured creditors and government departments are at liberty to file or pursue suit, if already filed before the competent Court of law to recover the dues from the Company and hence the Company was subject to proceedings under the applicable provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI”) before the Debt Recovery Tribunal (“DRT”). Further, the Company was also subject to civil recovery proceedings before the Hon’ble High Court of Bombay. Aforementioned litigation proceedings have been withdrawn by the relevant parties which is also evident from the ‘No Dues Certificates’ received from all banks forming part of the Consortium. As on date, the Company is not liable to pay any outstanding dues to any of the banks forming part of the Consortium as all of the outstanding dues have been discharged off in their entirety through one time settlement through Compromise settlement.

| Sr. No | Name of banks forming part of | Particulars of settlement | Date and particulars of no dues certificate |
|--------|-------------------------------|---------------------------|---|
|--------|-------------------------------|---------------------------|---|

| | Consortium | | |
|-----|---------------------|---|---|
| 7. | State Bank of India | One Time Settlement | August 30, 2018 |
| 8. | Bank of India | One Time Settlement | September 01, 2018 |
| 9. | Axis Bank | Facilities were assigned to International Asset Reconstruction Company (“IARC”) for recovery. | No dues certificate dated September 03, 2018 is available from IARC |
| 10. | Allahabad Bank | Facilities were assigned to International Asset Reconstruction Company (“IARC”) for recovery. | No dues certificate dated September 03, 2018 is available from IARC |
| 11. | UCO Bank | Compromised Settlement | March 28, 2018 |
| 12. | Exim Bank | Facilities were assigned to Edelweiss Asset Reconstruction Company (“EARC”) for recovery. | No dues certificate dated September 04, 2018 is available from EARC |

On April 01, 2018, Sat Industries Limited, the Promoter of Sah Polymers Limited acquired stake in capital of Aeroflex Industries Limited from the erstwhile Promoters of the Company. Consequent upon acquisition, Aeroflex Industries Limited became a subsidiary of Sat Industries Limited. Pursuant to the said acquisition, Sat Industries Limited approached lenders and settled their claims through compromise one time settlement and upon settlement, the lenders issued no dues certificate/charge satisfaction letter. Since the acquisition and settlement of dues with the erstwhile lenders, Aeroflex Industries Limited has been honouring all its commitments on time. Further, in the past one adjudication proceedings were initiated by SEBI against the our Company vide Show Cause Notice dated EAD-5/MC/RM/29509/2021 dated October 22, 2021. The allegations set out in the SCN dated October 22, 2021 were not established and the adjudication proceedings initiated against the Issuer Company were disposed of vide Order dated 28.01.2022 without any directions. In the past SEBI had initiated proceedings against one of the shareholder of our Promoter’s promoter viz. Space Age Polymers LLP in the matter of Peacock Industries Limited and Space Age Polymers LLP was debarred for 1 year vide Order dated October 26, 2009. The period of debarment ended in 2010. While no legal proceedings or regulatory action has been initiated against our Company or our Promoter in relation to the above proceeding and show cause notices as of the date of this Red Herring Prospectus, we cannot assure you that such proceedings or regulatory actions will not be initiated against our Company or Promote in the future in relation to such incidents and incidents of a similar nature. However, such proceedings will not have a material adverse effect on our financial condition as there is no impact on the us as on date. Please find the details of our common promoter of Aeroflex Industries Limited and their shareholding as under:

| Sr. no | Name of the Company | Name of Common Promoter | Common promoter’s Shareholding Details | | | Name of common promoter appearing in wilful default er list |
|--------|-----------------------------|-------------------------|--|---------------------------|--------------|---|
| | | | Shareholding in the Company | Number of the shares hold | Holding in % | |
| 1 | Sah Polymers Limited | SAT Industries Limited | Sah Polymers Limited | 14316000* | 91.79% | No |
| | | | Aeroflex Industries Limited | 21075408 | 92.18% | |
| 5 | Aeroflex Industries Limited | SAT Industries Limited | Sah Polymers Limited | 14316000* | 91.79% | No |
| | | | Aeroflex Industries Limited | 21075408 | 92.18% | |

*Includes the shares held by Nominee shareholder

- a. Please find the details of our common promoter of Aeroflex Industries Limited and their shareholding as under:

Table showing Common directors between Sat Industries Limited and Aeroflex Industries limited

| Sr. no | Name Director | Other Directorship Details | | Shareholding Details | | | |
|--------|---------------------|-----------------------------|-------------------------------------|-----------------------------|---------------------------|--------------|--|
| | | Directorship in the Company | Designation | Shareholding in the Company | Number of the shares hold | Holding in % | Name appearing in wilful defaulters list |
| 1 | Asad Daud | | | | | | |
| | | Aeroflex Industries Limited | Managing Director | Aeroflex Industries Limited | 100 | 0.00 % | No |
| | | SAT Industries Limited | Non- executive Director | | | | |
| 2 | Ramesh Chandra Soni | | | Nil/No | | | |
| | | SAT Industries Limited | Non-executive Independent Director | | | | |
| | | Aeroflex Industries Limited | Non -executive Independent Director | | | | |
| 3 | Harikant Tugalia | SAT Industries Limited | Whole Time Director and CFO | Nil/No | | | |
| | | Aeroflex Industries Limited | Non-executive Director | Aeroflex Industries Limited | 100 | 0.00% | No |

- b. SEBI had initiated proceedings against Space Age Polymers LLP in the matter of Peacock Industries Limited and Space Age Polymers LLP was debarred for 1 year vide Order dated October 26, 2009. The period of debarment ended in 2010. There is no impact on the Issuer Company as on date.
- c. There are no regulatory approvals/licenses/permits pending. All the requisite approvals/licenses/permits are valid and continuing as on date. The Issuer Company has not withdrawn any license/approval.
- d. Name of Mr. Asad Daud, one of the Directors appears in the list of directors of one strike off company named Supply Chain Exchange Limited. No charges exist against Mr. Asad Daud.

| Name of Entity | Criminal Proceeding | Tax Proceeding * | Statutory or Regulatory Proceeding | Disciplinary actions by the actions by the SEBI or Stock Exchanges against our Promoters | Material Civil Litigation | Aggregate amount involved (Rs in million) |
|----------------|---------------------|------------------|------------------------------------|--|---------------------------|---|
| Company | | | | | | |

| | | | | | | |
|-----------------------|-----|-----|-----|-----|-----|-----|
| By the Company | Nil | 1 | Nil | Nil | Nil | Nil |
| Against the Company | Nil | Nil | Nil | Nil | Nil | Nil |
| Directors | | | | | | |
| By our Directors | Nil | Nil | Nil | Nil | Nil | Nil |
| Against our Directors | Nil | 1 | Nil | Nil | Nil | Nil |
| Promoters | | | | | | |
| By our Promoters | 3 | 1 | Nil | Nil | 1 | Nil |
| Against Promoters | Nil | Nil | Nil | Nil | Nil | Nil |
| Group Company | | | | | | |
| By Group Company | Nil | 1 | Nil | Nil | Nil | Nil |
| Against Group Company | Nil | Nil | Nil | Nil | Nil | Nil |
| Subsidiary | | | | | | |
| By Subsidiary | Nil | 1 | Nil | Nil | Nil | Nil |
| Against Subsidiary | Nil | Nil | Nil | Nil | Nil | Nil |

*company has created a provision for tax proceedings in the contingent liabilities , wherever quantifiable.

Further , the existing litigations are not so major that the our company's , directors, promoter, subsidiary's survival is dependant on the outcome of the pending litigation will will have a material impact on our Company.

Adjudication proceedings were initiated by SEBI against the Issuer Company vide Show Cause Notice dated EAD-5/MC/RM/29509/2021 dated October 22, 2021. The allegations set out in the SCN dated October 22, 2021 were not established and the adjudication proceedings initiated against the Issuer Company were disposed of vide Order dated 28.01.2022 without any directions.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary licenses, permissions, registrations and approvals from the Government/RBI, 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. Unless otherwise stated, these approvals or licenses are valid as on the date of this Red Herring 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.

It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

Our Company is in the business of manufacturing, dealing and exporting of Polypropylene (PP)/ High Density Polyethylene (HDPE) Woven Bags, BOPP Laminated Bags and Flexible Intermediate Bulk Containers (FIBCs) and to carry out the business various licenses, permissions and approvals are required to be obtained under various Central and State 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 138 of this Red Herring Prospectus.

The Company has its business located at:

Registered Office: E-260-261, Mewar Industrial Area, Madri, Udaipur- 313003, Rajasthan, India

Corporate Office: 121, B-Wing, Mittal Tower, 12th floor, Nariman Point, Mumbai – 400021, Maharashtra, India.

Land for the proposed manufacturing unit : Araj no. 1164-1166, Village Modi, Tehsil Vallabh Nagar, Udaipur (Raj.) – 313602. (This land was acquired by our Company out of unsecured loans obtained from our Holding Company and Corporate Promoter, Sat Industries Limited).

Processing Unit: G-260, IID Center, Kaladwas, Udaipur (Raj.) – 313003.

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*” on page 90 of this Red Herring 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:

- A. The Board of Directors has, pursuant to a resolution dated April 07, 2022 under Section 62(1)(c) of the Companies Act, 2013 passed at its meeting held on authorized the Issue, subject to the approval of the shareholders of the Company and approvals by such other authorities, as may be necessary.
- B. The shareholders of the Company have, pursuant to a resolution passed in Extraordinary General Meeting held on April 13, 2022, authorized the Issue under Section 62(1)(c) of the Companies Act, 2013.

In- principle approval from the Stock Exchange

We have received in-principle approvals from the Stock Exchanges for the listing of our Equity Shares pursuant to letter dated July 29, 2022 bearing reference no. NSE/LIST/1650 from National Stock Exchange Limited & letter dated July 29, 2022 bearing reference no. LO/IPO/SC/IP/134/2022-23 from BSE Limited.

Agreements with NSDL and CDSL

- A. The Company has entered into an agreement dated August 20, 2021 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Link Intime India Private Limited for the dematerialization of its shares.

- B. Similarly, the Company has also entered into an agreement dated December 06, 2018 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited for the dematerialization of its shares.
- C. The Company's International Securities Identification Number (“ISIN”) is INE035801013.

Lenders Consent

- A. NOC dated July 26, 2021 has been obtained from UCO Bank, Udaipur as per the sanction letter dated April 30, 2020, October 31, 2020 and June 18, 2020, and March 09, 2022 under which our Company has availed the sanctioned limit of Rs. 1404 Lakhs
- B. NOC dated July 26, 2021. has been obtained from IndusInd Bank, Mumbai as per the letter dated August 21, 2021 under which our Company availed the limit of Rs.. 3.75 Lakhs
- C. NOC dated July 30, 2021 has been obtained from Deutsche Bank, Mumbai as per the sanction letter dated June 25, 2020 under which our company has availed an OD/PCFC facility of Rs. 225.00 Lakhs.
- D. NOC dated August 19, 2021 has been obtained from ICICI Bank, Udaipur as per the letter dated October 27, 2020 under which our Company has availed Overdraft Facility of Rs.300.00 Lakhs.
- E. NOC dated August 19, 2021 has been obtained from Tata Capital Financial Services, Mumbai as per the Renewal Letter dated November 26, 2020 under which our company has availed a credit facility of Rs.300.00 lakhs.

INCORPORATION AND OTHER DETAILS

- A. The Certificate of Incorporation dated April 20, 1992 issued by the Registrar of Companies, Rajasthan, Jaipur, in the name of “**Peacock Continental Limited**” having CIN No. U24201RJ1992PLC006657.
- B. Certificate of Incorporation consequent upon change in name of Company from “**Peacock Continental Limited**” to “**Sah Polymers Limited**” issued on July 24, 1998 by the Registrar of Companies, Rajasthan, Jaipur.
- C. The Corporate Identification Number (CIN) of the Company is **U24201RJ1992PLC006657**.

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 Issue | Date of Expiry |
|----------------|--|--|--|----------------------|-----------------------|
| 1. | Udyam Registration | Ministry of Micro, Small and Medium Enterprises, Government of India | UDYAM-RJ-33-0000063 | 04/07/2020 | NA |
| 2 | Registration & License to Work a Factory | Chief Inspector of Factories and Boilers Rajasthan, Jaipur | RJ/10128 | 20/01/2022 | 31/03/2023 |

TAX RELATED APPROVALS/LICENSES/REGISTRATIONS

| Sr. No. | Authorisation granted | Issuing Authority | Registration No./Reference No./License No. | Date of Issue | Validity |
|----------------|------------------------------------|--|---|----------------------|-----------------|
| 1 | Permanent Account Number (PAN) | Income Tax Department, Government of India | AAFCS6813H | Not applicable | Perpetual |
| 2 | Tax Deduction Account Number (TAN) | Income Tax Department through National Securities Depository Limited (NSDL), Ministry of | JDHS00927D | Not applicable | Perpetual |

| Sr. No. | Authorisation granted | Issuing Authority | Registration No./Reference No./License No. | Date of Issue | Validity |
|---------|---|---|--|---------------|-----------|
| | | Finance, Government of India | | | |
| 3 | Goods and Service Tax Identification Number | Government of India | 08AAFCS6813H1Z8 | 01/07/2017 | NA |
| 4 | Certificate of Import-Export Code (IEC) | Office of Jt. Director General of Foreign Trade | 1302000349 | 12/04/2001 | Perpetual |

LABOUR RELATED APPROVALS/REGISTRATIONS

| Sr. No. | Description | Authority | Registration No. / Reference No./ License No. | Date of Issue |
|---------|--|--|---|---------------|
| 1. | Employees Provident Fund Registration(under Employees' Provident Funds and Miscellaneous Provisions Act, 1952) | Employees Provident Fund Organisation, Ministry of Labour, Government of India | RJUDR0004190000 | 25/02/2015 |
| 2 | Registration for Employees State Insurance (under Employees State Insurance Act, 1948) | Employees State Insurance Corporation | 16000068710000104 | 06/01/2011 |

OTHER BUSINESS-RELATED APPROVALS

| Sr No. | Description | Authority | Registration Number | Date of Certificate | Date of Expiry |
|--------|---|---|----------------------------------|---------------------|----------------|
| 1 | Consent to operate u/s 21(4) of the Air (Prevention & Control of Pollution) Act, 1981 | Rajasthan State Pollution Control Board | 2016-17/Udaipur/2504 | 23/02/2017 | 28/02/2027 |
| 2 | Consent to operate u/s 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 | Rajasthan State Pollution Control Board | 2016-17/Udaipur/2505 | 23/02/2017 | 28/02/2027 |
| 3. | ISO 9001:2015 Certification | International Certification Services Pvt. Ltd | RQ91/7969 | 25/10/2012 | 24/10/2024 |
| 4 | Star House Certificate | Ministry of Commerce & Industry/ Directorate General of Foreign Trade | File No:PRSTATAPPLY00 027174AM22 | 26/03/2022 | 26/03/2027 |

INTELLECTUAL PROPERTY RIGHTS

TRADEMARK

We have applied for registration of the following Trademarks with the Trademarks Registry, Government of India. The details of trademark applications are as under:

| Sr. No. | Trademark | Trademark Type | Class | Applicant | Application Number | Date of Application | Validity /Renewal | Registration Status |
|---------|--|----------------|-------|----------------------|--------------------|---------------------|-------------------|---------------------|
| 1. | Certificate of Registration of Trade Mark, | Device Mark | 16 | Sah Polymers Limited | 4156338 | 24/04/2019 | Valid | Registered |

| Sr. No. | Trademark | Trademark Type | Class | Applicant | Application Number | Date of Application | Validity /Renewal | Registration Status |
|---------|----------------------------|----------------|-------|-----------|--------------------|---------------------|-------------------|---------------------|
| | Section 23(2), Rule 56 (1) | | | | | | | |

Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

NOT TRACEABLE

The original registration certificates of Employee Provident fund and Employees State Insurance are not traceable.

MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

As per the Rajasthan MSME Act, a new enterprise and an enterprise set up or proposed to be set up by an existing enterprise for manufacturing products or providing services at a location which is separately identifiable and different from location of the existing enterprise is exempted from obtaining the following licences for a period of three (3) years. We will apply for these licences before the expiry of the period of exemption We will apply for the requisite licenses and approvals before the expiry of the period of exemption which is September 2,2024:

1. Factories License under Factories Act, 1948
2. Consent to operate under Rajasthan Control Board- Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974

There are no other statutory and regulatory approvals which are required to be applied for or renewed which may have an impact on the financials and operations of the Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of the Board passed at their meeting held on April 07, 2022 which was subject to the approval of shareholders through special resolution. The shareholders of our Company have approved this issue vide a Special Resolution passed at an Extra Ordinary General Meeting held on April 13, 2022 at the Registered Office of our company. This Red Herring Prospectus has been approved by our Board and by the IPO Committee pursuant to a resolution passed on December 20, 2022.

We have received in-principle approval from NSE Limited and the BSE Limited vide letter reference no NSE/LIST/1650 and LO/IPO/SC/IP/134/2022-23 respectively dated July 29, 2022.

PROHIBITION BY SEBI OR OTHER GOVERNMENT AUTHORITIES

We confirm that our Company, Directors, Promoters, Promoter Group, person in control of our Company, are not prohibited from accessing or operating in the Capital Markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other authorities in any other jurisdiction or any other authority / court as on the date of this Red Herring Prospectus.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“**SBO Rules**”) to the extent applicable. Our Company and members of the Promoter Group are in compliance with the SBO Rules to the extent applicable to each of them as on the date of this Red Herring Prospectus.

DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

Neither our Promoters, nor any of our Directors or persons in control of our Company were or is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities as on the date of this Red Herring Prospectus.

None of our Directors are associated with the securities market in any manner and there is no outstanding action initiated against them by SEBI in the past 5 years.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

PROHIBITION BY RBI

Neither our Company nor any of our Promoters or Directors have been categorised as wilful defaulter or a fraudulent borrower.

ELIBIGITY FOR THE ISSUE

Our Company is eligible for the Issue in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

“An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy-five per cent. Of the net Issue to qualified institutional buyers and to refund the full subscription money if it fails to do so.”

We are an unlisted company, not satisfying the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to allot at least 75% of the Net Issue to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event that we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company shall not make an Allotment if the number or prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

We undertake to comply with Regulation 6(2) of the SEBI ICDR Regulations. Accordingly, our Company is required to Allot not less than 75% of the Issue to QIBs and in the event that we fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and other applicable laws.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees in the Issue shall be not less than 1,000.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- (i) Our Company, our Promoters, members of the Promoter Group and our Directors are not debarred from accessing the capital markets by SEBI
- ;
- (ii) The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;
- (iii) Neither our Company, nor our Promoters, or Directors is a wilful defaulter or a fraudulent borrower (as defined in the SEBI ICDR Regulations) by the leading bank or financial Institutions or consortium in terms of RBI master circular dated July 10, 2015 as on the date of the RHP
- (iv) None of our Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
- (v) Our Company along with Link Intime India Private Limited has entered into tripartite agreements dated December 06, 2018 and August 20, 2021 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares. Further, our Company shall enter into a tripartite agreement with the respective Depositories and the Registrar to the Issue prior to the filing of the Red Herring Prospectus with RoC;
- (vi) The Equity Shares of our Company held by the Promoters are in the dematerialised form;
- (vii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Red Herring Prospectus; and
- (viii) There are no outstanding convertible securities or any other right which would entitle any person with any option to receive Equity Shares, as on the date of this Red Herring Prospectus.
- (ix) The Issue is in Compliance with RBI master circular dated July 10, 2015

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS RED HERRING PROSPECTUS TO 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 RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTOR TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE

THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED APRIL 21 2022, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS,2018.

THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BEREQUIREDFORTHEPURPOSEOF THEISSUE.SEBIFURTHERRESERVESTHERIGHTTO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THERED HERRING PROSPECTUS.

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors and the BRLM

Our Company, our Directors, and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.sahpolymers.com or any website of any affiliate of our Company, any of the Group company, would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters, and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

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 approval to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares. 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 not minors, HUFs, companies, corporate bodies and societies registered under the 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, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors 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 the Company. The Red Herring 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 Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with National Stock Exchange of India Limited for its observations and National Stock Exchange of India Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

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.

The Equity Shares have not been and will not be registered under the U.S. 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 U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and applicable laws of the jurisdictions where such offers and sales occur.

Each purchaser of the Equity Shares in the Issue in India shall be deemed to:

1. represent and warrant to our Company, the BRLM and the Syndicate Members that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.
2. represent and warrant to our Company, the BRLM and the Syndicate Members that it did not purchase the Equity Shares as result of any “directed selling efforts” (as defined in Regulation S).
3. represent and warrant to our Company, the BRLM and the Syndicate Members that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.
4. represent and warrant to our Company, the BRLM and the Syndicate Members that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
5. represent and warrant to our Company, the BRLM and the Syndicate Members that if it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
6. agree to indemnify and hold the Company, the BRLM and the Syndicate Members harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
7. acknowledge that our Company, the BRLM, the Syndicate Members and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Bidders are advised to ensure that any Bid from them doesnot exceed the investment limits or maximum number of Equity Shares that can be held by them under applicablelaw.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or 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 U.S. Securities Act.

DISCLAIMER CLAUSE OF THE NSE

As required, a copy of this Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Draft Red Herring Prospectus, shall be included in this Red Herring Prospectus and the Prospectus prior to the RoC Filing.

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1650 dated July 29, 2022, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

DISCLAIMER CLAUSE OF THE BSE

“BSE Limited (“the Exchange”) has given vide its letter dated July 29, 2022, permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether

LISTING

Applications will be made to the Stock Exchanges for obtaining permission to trade, list and deal in and for an official quotation of the Equity Shares being issued and sold in the issue and national stock exchange of India Ltd. is the Designated Stock Exchange, with which the Basis of Allotment will be finalised

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within 6 (six) Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Issue within 6 (six) Working Days from the Bid/ Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

If our Company does not Allot the Equity Shares within 6 (six) Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Issue Account will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period, subject to applicable law.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

“Any person who –

- 1. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- 2. 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*
- 3. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*
shall be liable for action under section 447”

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term of not less than 6 (six) months extending up to 10 (ten) years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Chief executive officer Statutory Auditor, Banker to the Company and (b) Book Running Lead Manager, Syndicate Member, Underwriter, Registrar to the Issue, Public Issue Bank / Banker to the Issue/Refund Banker to the Issue/Sponsor bank, Legal Advisor to the Issue, to act in their respective capacities have been obtained as required under Section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus for filing with the RoC.

EXPERT TO THE ISSUE

Our Company has received written consent dated November 1, 2022 from H.R.Jain & Co, the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the: (i) their examination report dated November 3, 2022 on the Restated Standalone and Consolidated Financial Informations; (ii) their report November 3, 2022 on the Statement of Tax Benefits included in this Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Red Herring Prospectus.

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

PREVIOUS RIGHTS AND PUBLIC ISSUES

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Red Herring Prospectus.

PREVIOUS RIGHTS AND PUBLIC ISSUES BY OUR LISTED PROMOTER

Our listed Promoter, Sat Industries Limited, has not undertaken any public/ rights issue of its equity shares in the preceding five years. Our Company does not have any listed Subsidiary.

Particulars regarding public or rights issues by our Company during the last 5 (five) years

Our Company has not made any public or rights issue in the last 5 (five) years.

Commission or Brokerage on Previous issues in the last 5 (five) years

Since this is the initial public issuing of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for sub scribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the 5 (five) years preceding the date of the Red Herring Prospectus.

Capital Issues in the Preceding Three Years

Except as disclosed in “*Capital Structure - Share capital History of our Company*” on page 78, our Company has not made nay capital issues during the three years preceding the date of this Red Herring Prospectus.

There have been no capital issues by our Group Company during last 3 (three) years. There are no other listed companies under the same management at present or during the last three years.

Performance vis-à-vis Objects

Our Company has not undertaken any public issues, including any rights issues to the public in the 5 (five) years immediately preceding the date of this Red Herring Prospectus.

Performance vis- à-vis Objects: Last Issue of listed Subsidiary/Promoters

Our listedpromoter“Sat Industries Limited“ have made any public issues, including rights issues to the public in the 5 (five) years immediately preceding the date of this Red Herring Prospectus. Our Subsidiary is not listed on any stock exchange.

The price information of past issues handled by Pantomath Capital Advisors Private Limited is as follows:

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

| Sr · No | Issue Name | Issue Size (Cr) | Issue Price (Rs.) | Listing date | Opening price on listing date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---------------|-------------------------------------|-----------------|-------------------|-------------------|-------------------------------|---|---|--|
| 1. | Ritco Logistics Limited | 48.18 | 73.00 | February 07, 2019 | 77.40 | -5.00% (-0.81%) | -3.49% (3.53%) | -8.70% (-0.73%) |
| 2. | Artedz Fabs Limited | 8.32 | 36.00 | March 29, 2019 | 40.00 | 5.56% (1.12%) | -9.44% (1.92%) | -34.17% (-0.31%) |
| 3. | Par Drugs and Chemicals Limited | 8.53 | 51.00 | May 16, 2019 | 52.90 | -6.47% (5.03%) | -7.84% (-2.94%) | -11.96% (5.83%) |
| 4. | Suich Industries Limited | 30.86 | 75.00 | June 13, 2019 | 68.50 | -42.00% (-2.53%) | -61.93% (-6.53%) | -80.67% (1.88%) |
| 5. | Gensol Engineering Limited | 17.93 | 83.00 | October 15, 2019 | 85.40 | 0.06% (4.18%) | 0.06% (8.03%) | 2.41% (-22.37%) |
| 6. | Mangalam Global Enterprises Limited | 21.57 | 51.00 | November 27, 2019 | 53.00 | 1.96% (0.21%) | 5.10% (-2.24%) | Not Available* |
| 7. | Madhav Copper Limited (FPO) | 25.50 | 102.00 | February 06, 2020 | 102.00 | -23.04% (-9.46) | Not Available* | Not Available* |
| 8. | V-Marc India Limited | 23.40 | 39.00 | April 9, 2021 | 46.50 | -15.48 % (0.08%) | -31.08 % (7.04%) | -17.74% (20.14) |
| 9. | Exxaro Tiles Limited | 160.78 | 120.00 | August 16, 2021 | 126.00 | 23.69% (4.93%) | 16.19% (9.30%) | 1.07% (4.90%) |
| 10. | A B Cotspin India Limited | 10.09 | 35.00 | January 11, 2022 | 38.50 | 41.82% (-3.28%) | 12.60% (-2.11%) | -3.64% (-10.65) |

*Since, Mangalam Global Enterprises Limited and Madhav Copper Limited are migrated from SME platform to Main board platform, historical price of such scrips are not available.

Note:

Sources: All share price data is from www.bseindia.com and www.nseindia.com.

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index.
2. Prices on BSE/NSE are considered for all of the above calculations.
3. In case the 30th/90th/180th day is a holiday, closing price on BSE/NSE of the previous trading day has been considered.
4. In case 30th/90th/180th days, scrips are not traded then closing price on BSE/NSE of the previous trading day has been considered.

SUMMARY STATEMENT OF DISCLOSURE

| Financial year | Total no. of IPO | Total funds raised (Rs. Cr) | Nos of IPOs trading at discount on 30th Calendar day from listing date | | | Nos of IPOs trading at premium on 30th Calendar day from listing date | | | Nos of IPOs trading at discount on 180th Calendar day from listing date | | | Nos of IPOs trading at premium on 180th 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% |
| 19-20 | *4\$ | 95.86 | - | 1 | 1 | - | - | 2 | 1 | - | 1 | - | - | 1 |
| 20-21 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21-22 | **3 | 194.27 | - | - | 1 | - | 1 | 1 | - | - | 2 | - | - | 1 |

*The script of Par Drugs and Chemicals Limited, Suich Industries Limited, Gensol Engineering Limited, Mangalam Global Enterprises Limited were listed on May 16, 2019, June 13, 2019, October 15, 2019 and November 27, 2019 respectively.

\$ The share price of Mangalam Global Enterprises Limited is not available as of 180th day as the same has been migrated from sme platform to main board platform.

As on 30th trading day the closing price of the script Ganga Forging Limited was at par with the issue price. Hence it is not considered for counting the numbers of IPOs trading at discount and premium.

** The Script of V-Marc India Limited was listed on April 9, 2021 and Exxaro Tiles Limited was listed on August 16, 2021.

Note: Madhav Copper Limited is Further Public Offering lead managed by Pantomath Capital Advisors Private Limited in the Financial Year 2019-2020 and the same has not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.

Website for track record of the Book Running Lead Manager

For details regarding the track record of the Book Running Lead Manager, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Manager, Pantomath Capital Advisory Services Private Limited at www.panthomathgroup.com.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares pursuant to the Issue, or such other period as may be prescribed under applicable law to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPIID (for Retail Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

Anchor Investors are required to address all grievances in relation to the Issue to the BRLM. All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the Sole Bidder or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Bid cum Application Form was submitted by the Anchor Investor.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal for the same by the concerned SCSB within three months of the date of listing of the Equity Shares. . Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of Rs. 100 per day or 15% per annum of the application amount for the period of such delay, which period shall start from the day following the receipt of a complaint from the investor.

Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions,

commission or any acts of any SCSB, Registered broker, Syndicate member, RTA or CDP including any defaults in complying with its obligations under the SEBI ICDR Regulations.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 (fifteen) working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on July 31, 2021. For further details, please refer to the chapter titled “*Our Management*” on page 154 of this Red Herring Prospectus.

Our Company has appointed Runel Saxena as Company Secretary and Compliance Officer and he may be contacted at the following address:

Runel Saxena
Sah Polymers Limited
E-260-261, Mewar, Industrial Area, Madri
Udaipur (Raj.) -313003
Tel: +91 294 - 2493889
Email: cs@sahpolymers.com
Website: www.sahpolymers.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc.*

Our listed Promoter Sat Industries Limited has have received nilinvestor complaints, respectively, during the three years preceding the date of this Red Herring Prospectus. However, no investor complaint in relation to Sat Industries Limited is pending as on the date of filing of this Red Herring Prospectus. Sat Industries Limited estimates that the average time required by them or their registrar and transfer agent or the relevant Designated Intermediary, for the redressal of routine investor grievances is 15-30 Working Days from the date of receipt of the complaint.

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 15-30 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Outstanding Debentures, Bonds or Redeemable Preference Shares

Except as disclosed in the chapter titled “*Capital Structure*” on page 78, our Company does not have any outstanding debentures, bonds or redeemable preference shares, as on the date of this Red Herring Prospectus.

Partly Paid-Up Shares

As on the date of this Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement. For details of the Issue expenses, please refer to the chapter titled “*Objects of the Issue*” on page 90 of this Red Herring Prospectus..

Commission payable to SCSBs, Registered Brokers, CRTAs and CDPs

For details of the commission payable to SCSBs, Registered Brokers, CRTAs and CDPs, please refer to the chapter titled “ Objects of the Issue” on Page 90 of this Red Herring Prospectus.

Disposal of investor grievances by listed Group Company

As on the date of this Red Herring Prospectus, we do not ave any listed Group Company.

Capitalisation of Reserves or Profits

Our Company has not capitalized its reserves or profits at any time during the 5 (five) years immediately preceding the date of this Red Herring Prospectus.

SECTION VII – ISSUE INFORMATION TERMS OF THE ISSUE

The Equity Shares being offered, transferred and Allotted pursuant to this Issue are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Issue and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Issue.

The Issue

The Issue comprises of a Fresh Issue of Equity Shares by our Company.

Ranking of the Equity Shares

The Equity Shares being issued and Allotted in the issue will be subject to the provisions of the Companies Act, 2013, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company. For more information, see “*Main Provisions of the Articles of Association*” on page 255 of this Red Herring Prospectus.

Mode of payment of dividend

Our Company will pay dividend, if declared, to the Shareholders, as per the provisions of the Companies Act, 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared by our Company after the date of Allotment in this issue will be received by the Allottees in accordance with applicable law. For more information, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 172 and 255 respectively of this Red Herring Prospectus.

Face value, Issue Price and Price Band

The face value of the Equity Shares is Rs. 10 each. At any given point of time, there will be only one denomination for the Equity Shares. The Floor Price of the Equity Shares is Rs.[●] and the Cap Price of the Equity Shares is Rs.[●]. The Anchor Investor Issue Price is Rs.[●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company, acting through the IPO Committee, in consultation with the Book Running Lead Manager, and shall be advertised at least two Working Days prior to the Bid/Offer Opening Date, All edition of the English national newspaper Financial Express, All edition of the Hindi national newspaper Jansatta and the Regional newspaper of Udaipur, Rajasthan, Prathakalin Hindi , Hindi being the regional language where the registered office of our company is located, each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid cum Application Forms available at the website of the Stock Exchanges.

The Issue Price shall be determined by our Company, acting through the IPO Committee, in consultation with the Book Running Lead Manager, after the Bid/Offer Closing Date.

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:

- (1) Right to receive dividend, if declared;
- (2) Right to attend general meetings and exercise voting powers, unless prohibited by law;
- (3) Right to vote on a poll either in person or by proxy or e-voting;
- (4) Right to receive offers for rights shares and be allotted bonus shares, if announced;
- (5) Right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- (6) Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- (7) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the terms of the SEBI Listing Regulations and the Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see “*Main Provisions of Articles of Association*” on page 255 of this Red Herring Prospectus

Allotment of equity shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares issued through the Red Herring Prospectus can be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements:

1. Agreement dated December 06, 2018 amongst NSDL, our Company and the Registrar to the Issue; and
2. Agreement dated August 20, 2021 amongst CDSL, our Company and the Registrar to the Issue.

The Company's bear ISIN no INE035801013

Market lot and trading lot

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see “*Issue Procedure*” on page 232 of this Red Herring Prospectus.

Joint holders

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only 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 issues 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, 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 the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/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 our Registered Office or to the registrar and transfer agents of our Company

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or
2. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Bid/ Issue opening programme

| | |
|--|--|
| Bid / Issue Opening Date * | Friday, December 30, 2022 |
| Bid / Issue Closing Date ** | Wednesday, January 04, 2023 |
| Finalization of Basis of Allotment | On or before, Monday, January 09, 2023 |
| Initiation of Refunds / Unblocking of funds from ASBA accounts*** | On or before Tuesday, January 10, 2023 |
| Credit of equity shares to depository Accounts | On or before, Wednesday January 11, 2023, |
| Commencement of trading of the Equity Shares on the Stock Exchange | On or before Thursday, January 12, 2023 |

* Our Company, acting through the IPO Committee, in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

** Our Company, acting through the IPO Committee, in consultation with the Book Running Lead Manager,, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date.

*** In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated

in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 & and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The above timetable is indicative in nature and does not constitute any obligation or liability on our Company, the Promoter or the members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of the Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, the timetable may be subject to change for various reasons, including extension of Bid/Offer Period by our Company, acting through the IPO Committee, in consultation with the BRLM, due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. The Promoter severally and not jointly, confirm that they shall extend such reasonable co-operation, to the extent such assistance is required from such Promoter in relation to its respective Offered Shares, as may be requested by our Company and the Book Running Lead Manager for the 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 Bid/Offer Closing Date or such other time as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Issue, the BRLM 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.

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 Red Herring 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.

Submission of Bids (other than Bids from Anchor Investors):

| Bid/Offer Period (except the Bid/Offer Closing Date) | |
|---|---|
| Submission and Revision in Bids | Only between 10.00 a.m. and 5.00 p.m. IST |
| Bid/Offer Closing Date | |
| Submission and Revision in Bids | Only between 10.00 a.m. and 3.00 p.m. IST |

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

- i. 4.00 p.m. Indian Standard Time in case of Bids by QIBs and Non-Institutional Investors, and
- ii. until 5.00 p.m. Indian Standard Time or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the Book Running Lead Manager to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

The Registrar to the Issuance shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that if a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Issue. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected. Bids will be accepted only on Working Days. Investors may please note that as per letters dated July 3, 2006 and July 6, 2006, issued by BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank, as applicable.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bidcum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Minimum subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Issue, and (ii) a subscription in the Issue equivalent to at least 25% post-Issue paid up Equity Share capital of our Company, as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/Issue Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid/Issue Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being issued under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 4 (four) days, our Company to the extent applicable, shall pay interest at the rate of 15% per annum including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021.

Further, the Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders, and subscription money will be refunded, as applicable. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangement for disposal of odd lots

Since the Equity Shares will be traded in dematerialised form only and the market lot for the Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New financial instruments

Our Company is not issuing any new financial instruments through this Issue.

Restriction on transfer of shares and transmission of Equity Shares

Except for lock-in of the pre-issue capital of our Company, the Anchor Investor lock-in in the Issue as detailed in “*Capital Structure*” on page 78 and except as provided in the Articles of Association as detailed in “*Main Provisions of the Articles of Association*” on page 255 of this Red Herring Prospectus, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/splitting.

Withdrawal of the issue

Our Company, in consultation with the BRLM, reserve the right not to proceed with the entire or portion of the Issue for any reason at any time after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such further time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. Further, the Stock Exchanges shall be informed promptly in this regard by our Company, and the BRLM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank (in case of RIBs using the UPI mechanism), as applicable, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and inform the Bankers to the Issue to process refunds to the

Anchor Investors, as the case may be. In the event of withdrawal of the Issue and subsequently, plans of a fresh Issue by our Company, a fresh red herring prospectus will be submitted again to SEBI and the Stock Exchanges.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of Bid/Issue Closing Date or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC.

ISSUE STRUCTURE

The Initial public offer is of up to 1,02,00,000 Equity Shares for cash at price of Rs. [●] per Equity Share (including a premium of Rs. [●] per Equity Share) aggregating up to Rs. [●] lakhs by our Company. The face value of the Equity Shares is Rs.10 each. The Issue will constitute [●] % of the post-Issue paid-up Equity Share capital of our Company.

The Issue is being made through the Book Building Process

| Particulars | QIBs ⁽¹⁾ | Non-Institutional Bidders | Retail Individual Bidders |
|---|--|---|--|
| Number of Equity Shares available for Allotment/ allocation*⁽²⁾ | Not less than [●] Equity Shares | Not more than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders | Not more than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders |
| Percentage of Issue Size available for Allotment/ allocation | Not less than 75% of the Issue size shall be allocated to QIB Bidders. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund portion will be available to other QIBs. | Not more than 15% of the Issue less allocation to QIB Bidders and RII will be available for allocation. | Not more than 10% of the Issue less allocation to QIB Bidders and Non-Institutional Bidders will be available for allocation |
| Basis of Allotment if respective category is oversubscribed* | Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above (c) [●] Equity Shares may be allocated on a | The allocation to each Non-Institutional Investor shall not be less than minimum application size i.e., [●] Equity Shares, in accordance with the SEBI ICDR Regulations, subject to the availability of Equity Shares in Non Institutional Investors' category, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis, subject to valid Bids being received at or above the Issue Price. One third of the portion available to | Proportionate, subject to the minimum bid lot. The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, "Issue Procedure" on page 232. |

| Particulars | QIBs ⁽¹⁾ | Non-Institutional Bidders | Retail Individual Bidders |
|------------------------------------|---|--|---|
| | discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price. | Non-Institutional Investors shall be reserved for applicants with application size of more than Rs.2 lakhs and up to Rs.10 lakhs, and two third of the portion available to Non Institutional investors shall be reserved for applicants with application size of more than Rs.10 lakhs. | |
| Mode of Bid | Through ASBA Process only (except in case of Anchor Investors) | | |
| Minimum Bid | Such number of Equity Shares in multiples of [●] Equity Shares, that the Bid Amount exceeds Rs. 200,000 | Such number of Equity Shares that the Bid Amount exceeds Rs. 200,000 and in multiples of [●] Equity Shares thereafter | [●] Equity Shares and in multiples of [●] Equity Shares thereafter |
| Maximum Bid | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed Rs. 200,000 |
| Mode of allotment | Compulsorily in dematerialised form | | |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter | | |
| Allotment Lot | A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter For Retail Individual Investors, [●] Equity Shares and in multiples of one Equity Share thereafter, subject to availability in the Retail Category | | |
| Trading Lot | One Equity Share | | |
| Who can apply⁽³⁾ | Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 lakhs, pension funds with minimum corpus of Rs. 2,500 lakhs, | Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices which are categorised as category II FPIs and registered with SEBI | Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta) |

| Particulars | QIBs ⁽¹⁾ | Non-Institutional Bidders | Retail Individual Bidders |
|-------------------------|---|---------------------------|---------------------------|
| | National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies. | | |
| Terms of Payment | Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism (only for Retail Individual Investors & NII upto 5 lakhs) that is specified in the ASBA Form at the time of submission of the ASBA Form (4) | | |
| Mode of Bidding | Only through the ASBA process (except for Anchor Investors) | | |

* Assuming full subscription in the Issue.

- (1) Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to Rs.1000 lakhs, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than Rs.1000lakhs but up to Rs.25000 lakhs under the Anchor Investor Portion, subject to a minimum Allotment of Rs.500 lakhs per Anchor Investor, and (iii) in case of allocation above Rs.25000 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to Rs.25000 lakh., and an additional 10 Anchor Investors for every additional Rs.25000 lakhs or part thereof will be permitted, subject to minimum allotment of Rs.500 lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least Rs.1000 lakhs. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company in consultation with the BRLM.
- (2) Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(2) of the SEBI ICDR Regulations.
- (3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.
- (4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor pay-in date as indicated in the CAN. Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For details, see “Terms of the Issue” on page 222 of this Red Herring Prospectus .

Bids by FPIs with certain structures as described under “Issue Procedure” on page 232 of this Red Herring Prospectus and having same PAN may be collated and identified as a single Bid in the Bidding process. The

Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire Equity Shares under the Issue.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least 3 (three) additional Working Days after such revision of the Price Band, subject to the total Bid/ Issue Period not exceeding 10 (ten) Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

ISSUE PROCEDURE

All Bidders should read the General Information Document, for Investing in Publics Issue prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/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 SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications and electronic registration of bids; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI vide 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, 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 Bids by RIBs 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 Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the Covid-19, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by RIBs (“**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 the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended by circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 has introduced certain additional measures for streamlining the process of initial public issue and redressing investor grievances. This circular shall come into force for initial public issue opening on or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI Circular No SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents, Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days.

Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

The BRLM shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and BRLM shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of Rs. 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids 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 the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Issue shall be Allotted to QIBs on a proportionate basis, provided that our Company in consultation with the BRLM, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the price at which allocation is made to Anchor Investors. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category (other than Anchor Investor Portion). 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 75% of the Issue cannot be Allotted to QIBs, the Bid Amounts received by our Company shall be refunded. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, the allocation to each Non-Institutional Investor shall not be less than Rs. 200,000, subject to availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis, subject to valid Bids being received at or above the Issue Price, in accordance with the SEBI ICDR Regulations. Further, (a) one third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than Rs. 200,000 and up to Rs. 1,000,000; and (b) two third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than Rs. 1,000,000, provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Investors.

Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN and UPI ID (for RIBs using the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical

form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable law.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice.

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. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Issue. Pursuant to the UPI Streamlining Circular, 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 Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for 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 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. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Issue BRLM will be required to compensate the concerned investor.

The Issue will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Hindi editions of Prathakal, (Hindi being the regional language of Udaipur where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.

All SCSBs offering the facility of making applications in public offers shall also provide the facility to make application using UPI. Our Company 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 Bidders using the UPI.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding

through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

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 for 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.

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 make an application as prescribed in Annexure I of SEBI Circular No SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and 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 NoSEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular NoSEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Further, pursuant to SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all Retail Individual Bidders applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- i. a syndicate member;
- ii. a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
- iii. a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);
- iv. a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Bid cum Application Form

Copies of the ASBA Forms and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered. An electronic copy of ASBA Forms will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date. Anchor Investor Application Forms shall be available at the offices of the BRLM at the Anchor Investor Bidding Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate in this Issue through the ASBA process. RIBs can additionally Bid through the UPI Mechanism. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID (in case of RIBs), as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection.

Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the

ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Issues made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

RIBs using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or by Sponsor Bank under the UPI Mechanism, as applicable at the time of submitting the Bid. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/unblocked. For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLM. The prescribed colour of the Bid cum Application Forms for various categories is as follows:

| Category | Colour of Bid cum Application Form* |
|---|-------------------------------------|
| Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis | Blue |
| Anchor Investors | White |

* Excluding electronic Bid cum Application Forms

Notes:

(a) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com, and NSE

(b) *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLM.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI mandate request for blocking of funds on their respective Mobile Applications associated with UPI ID linked bank account. For all pending UPI mandate requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking off funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) 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 Bank and the issuer bank. The Sponsor Bank and the Bankers to the Issue shall provide the audit trail to the BRLM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/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 SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

For ASBA Forms (other than RIIs Bidding using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

- a. Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.
- b. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.

- c. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.
- d. Exchanges shall display initial public offer demand details on its website and for UPI bids the demand shall include/ consider UPI bids only with latest status as RC 100 – Black Request Accepted by Investor/ Client, based on responses/ status received from the Sponsor Banks.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

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.

Electronic registration of Bids

- (1) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.
- (2) On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given time till 5:00 pm on the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Participation by associates and affiliates of the BRLM and the Syndicate Members, Promoter, Promoter Group and persons related to Promoter / Promoter Group

The BRLM and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLM and the Syndicate Members may bid for Equity Shares in the Issue, either in the Net QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such Bid subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLM nor any associates of the BRLM can apply in the Issue under the Anchor Investor Portion:

- (1) mutual funds sponsored by entities which are associate of the BRLM
- (2) insurance companies promoted by entities which are associate of the BRLM
- (3) AIFs sponsored by the entities which are associate of the BRLM; or
- (4) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the BRLM.

Further, persons related to our Promoter and Promoter Group shall not apply in the Issue under the Anchor

Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “*person related to the Promoter or Promoter Group*”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoter or members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of a BRLM, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLM.

Promoter and the members of the Promoter Group will not participate in the Issue except to the extent of the Issued Shares.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any company, provided that the limit of 10% shall not be applicable for investments in case of index fund or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Issue. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External (“**NRE**”) accounts (including UPI ID, if activated), or Foreign Currency Non-Resident (“**FCNR**”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary (“**NRO**”) accounts or confirm or accept the UPI mandate request (in case of RIBs using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (White colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Blue colour).

For further, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 253.

Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the *karta*. The Bidder/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.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control) shall be below 10% of our post-issue Equity Share capital on a fully diluted basis. In case, the total holding of an FPI, or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis, the total investment made by the FPI or investor group 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. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (Blue colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, is permitted to issue, subscribe to or otherwise deal in offshore derivative instruments directly or indirectly, if it complies with the following conditions: (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with the ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (i) to (iv)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- (1) FPIs which utilise the multi investment manager structure;
- (2) Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- (3) Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;

- (4) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- (5) Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- (6) Government and Government related investors registered as Category 1 FPIs; and
- (7) Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected

For details of investment by FPIs in the Issue, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 253 of this RHP. Participation of FPIs shall be subject to the FEMA Non-debt Instruments Rules.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the “SEBI AIF Regulations”) prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least six months period from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

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 BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "Banking Regulation Act"), and 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 bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in Subsidiary 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 would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. 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 such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all

applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, 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 and provident funds with minimum corpus of Rs. 250 million and pension funds with a minimum corpus of Rs. 250 million, 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 Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the, in consultation with the BRLM, may deem fit, without assigning any reasons thereof.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

- (i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.
- (ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of Rs. 100 million.
- (iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (iv) Bidding for Anchor Investors will open one Working Day before the Bid/Issue Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.
- (v) Our Company and, in consultation with the BRLM may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
 - maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to Rs. 100 million
 - minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than Rs. 100 million but up to Rs. 2,500 million, subject to a minimum Allotment of Rs. 50 million per Anchor Investor; and

- in case of allocation above Rs. 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to Rs. 2,500 million, and an additional 10 Anchor Investors for every additional Rs. 2,500 million, subject to minimum Allotment of Rs. 50 million per Anchor Investor.
- (vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.
- (vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (viii) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Office Price.
- a. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion will shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment
- (ix) Neither the BRLM or any associate of the BRLM((except Mutual Funds sponsored by entities which are associates of theBRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies or family offices sponsored by the entities which are associate of the BRLM) nor any "person related to the Promoter or Promoter Group" shall apply in the Issue under the Anchor Investor Portion. For further details, see "*Issue Procedure- Participation by associates and affiliates of the BRLM and the Syndicate Members, Promoters, Promoter Group and persons related to Promoters / Promoter Group*" on page 238 of this Red Herring Prospectus..
- (x) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, see the General Information Document

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2500 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Our Company, and the members of Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Red Herring Prospectus, the Red Herring Prospectus and Prospectus.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Issue.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the

Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding 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 BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the 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 the Draft Red Herring Prospectus or this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/ Issue Period and withdraw or lower the size of their Bid(s) until Bid/ Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/ Issue Period.

Do's:

- a) Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
- b) Ensure that you have Bid within the Price Band;
- c) 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. Retail Individual Investors using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID
- d) 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;
- e) Retail Individual Investors Bidding using the UPI Mechanism shall make Bids only through the SCSBs, Mobile Applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as 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;
- f) Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
- g) Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only
- h) Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Retail Individual Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, sub-Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

- i) All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
- j) In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;
- k) Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;
- l) Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
- m) The ASBA bidders shall ensure that bids above ₹ 5,00,000, are uploaded only by the SCSBs;
- n) Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
- o) Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- p) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- q) Ensure that the Demographic Details are updated, true and correct in all respects;
- r) 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;
- s) Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
- t) Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents, including a copy of the power of attorney, are submitted;
- u) Ensure that Bids submitted by any person resident outside India should be in compliance with applicable foreign and Indian laws;
- v) Bidder 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;

- w) Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
- x) However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs
- y) Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/Issue Closing Date;
- z) FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids are liable to be rejected;
- aa) Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM;
- bb) Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI (at www.sebi.gov.in) or such other websites as updated from time to time;
- cc) Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
- dd) Bidder using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
- ee) Bidder using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form
- ff) Bidder using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner and;
- gg) Bids by Eligible NRIs and HUFs for a Bid Amount of less than Rs. 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding Rs. 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Issue.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Bids by eligible NRIs for a Bid Amount of less than Rs. 200,000 would be considered under the Retail category for the purposes of allocation and Bids for a Bid Amount exceeding Rs. 200,000 would be considered under the Non-Institutional category for allocation in the Issue.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
8. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms;
9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue/Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
12. Do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;
13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Issue Closing Date;
14. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
15. If you are a RIB and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID
16. Do not submit the General Index Register (GIR) number instead of the PAN;
17. Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Investors)
18. The ASBA bidders shall ensure that bids above ₹ 5,00,000, are uploaded only by the SCSBs
19. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

20. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors revise or withdraw their Bids until the Bid/Issue Closing Date;
22. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
23. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;
24. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
25. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
26. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a Retail Individual Investor Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or Mobile Applications and/or UPI handle that is not listed on the website of SEBI;
27. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;
28. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
29. RIIs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected;
30. 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); and
31. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For further details of Company Secretary and Compliance Officer, see “*General Information*” on page 70 of this RHP.

For helpline details of the Book Running Lead Manager pursuant to the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information –Book Running Lead Manager*” on page 72 of this RHP.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manners specified in the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares through the Issue Document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent. of the Issue may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. The Allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

Payment into Escrow Account for Anchor Investors

Our Company in consultation with the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Issue through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (1) In case of resident Anchor Investors: “Sah Polymers Limited-Anchor Investor-R”
- (2) In case of non-resident Anchor Investors: “Sah Polymers Limited-Anchor Investor-NR”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Bank and the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will, after registering this Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Hindi edition of the Regional newspaper Prathakal (Hindi being the regional language of Udaipur where our Registered Office is located). Our Company shall, in the pre-Issue advertisement state the Bid/Issue Opening Date, the Bid/Issue Closing Date and the QIB Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of under the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the BRLM and the Registrar shall publish an advertisement in relation to Allotment before commencement of trading, disclosing the date of commencement of trading of the Equity Shares, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Hindi edition of the Regional newspaper Prathakal (Hindi being the regional

language of Udaipur where our Registered Office is located), each with wide circulation.

The above information is given for the benefit of the Bidders/applicants. Our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and will enter into an Underwriting Agreement with the Underwriter on or immediately after the finalisation of the Issue Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC, in accordance with applicable law. The Prospectus will contain details of the Issue Price, Anchor Investor Issue Price, Issue size and underwriting arrangements and will be complete in all material respects.

Depository Arrangements

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Tripartite Agreement dated December 06, 2018 among NSDL, our Company and the Registrar to the Issue.
2. Tripartite Agreement dated August 20, 2021 among CDSL, our Company and Registrar to the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who—

- A. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- B. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- C. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least Rs. 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months period extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than Rs. 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to Rs. 5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily
- that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period
- that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Issue Closing Date or such other time as may be prescribed
- that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund
- that if our Company does not proceed with the Issue after the Bid/Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly
- that if our Company, in consultation with the BRLM, withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh draft Issue document with the SEBI, in the event our Company subsequently decides to proceed with the Issue thereafter
- Promoter's contribution, if any, shall be brought in advance before the Bid / Issue Opening Date
- that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and
- no further issue of Equity Shares shall be made until the Equity Shares Issued through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Utilisation of Issue Proceeds

Our Company, specifically confirm and declare:

3. that all monies received from the Issue shall be credited / transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
4. details of all monies utilised out of the proceeds from the Issue shall be disclosed, and continue to be disclosed till all the time any part of the proceeds from the Issue remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised, or the form in which such unutilised monies have been invested; and
5. details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DIPP also issues the Consolidated Foreign Direct Investment Policy (“**FDI Policy**”) from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India’s current FDI Policy issued by the DIPP with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP till October 15, 2020. All the press notes, press releases, clarifications on FDI issued by DIPP till October 15, 2020 stand rescinded as on October 15, 2020. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

Further, the existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% of the total paid-up Equity Share capital of our Company for each FPI and the total holdings of all FPIs in the Company shall not exceed 24% of the total paid-up Equity Share capital of our Company. The RBI, in exercise of its power under the FEMA, has also notified Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Offer, subject to total FPI investment being within the individual FPI/sub account investment limit of less than 10% of the total paid-up equity capital on a fully diluted basis of the Company subject to the total holdings of all FPIs/sub accounts including any other direct and indirect foreign investments in the Company shall not exceed 24% of the paid-up equity capital of the Company on a fully diluted basis. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Company concerned by passing of resolution by the Board of the Company to that effect and by passing of a special resolution to that effect by its Shareholders. With effect from April 1, 2020, the aggregate limit of 24% has increased to the sectoral cap applicable to the Indian Company which in case of the Company is 100%. As per the Regulations, the aggregate limit as provided above was permitted to be decreased by the Company to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors through a resolution and also of its shareholders by means of a special resolution, before March 31, 2021. The Company has passed no such Board Resolution and hence, has not revised its sectoral caps have not been reduced in the past. Our Company falls within the applicable statutory ceiling limits which stand at 100% for the manufacturing sector under the FDI Policy. Further, eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% of the total paid-up equity capital on a fully diluted basis subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10% of the total paid-up equity capital on a fully diluted basis of the Company. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24 % if a special resolution to that effect is passed by the shareholders of the Company. The shareholders of our Company have passed the necessary resolutions approving the increase in the investments limits for FPIs, NRIs and OCIs.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to 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 being offered and sold only 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 sale 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.

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.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

(THE COMPANIES ACT, 2013)
(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION OF OF SAH POLYMERS LIMITED

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the extra ordinary general meeting of the Company held on **15/07/2021** in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company

PRELIMINARY

| Title of Article | Article Number and contents |
|---|--|
| Table "F" not to apply but company to be governed by these Articles | 1. The regulations contained in Table "F" in the Schedule I of the Companies Act, 2013 shall not apply to this Company, but these Articles for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of, or addition to, its regulations/Articles by Special Resolution, as prescribed by the Companies Act 2013, be such as are contained in these Articles. |

INTERPRETATION

| Title of Article | Article Number and contents |
|-----------------------------|---|
| Interpretation Clause | 2. |
| The Act | In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context: (a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable. |
| These Articles | (b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time. |
| Auditors | (c) "Auditors" means and includes those persons appointed as such for the time being of the Company. |
| Board or Board of Directors | (d) "Board" or "Board of Directors" means the Board of Directors of the Company or the Directors of the Company collectively. |
| Capital | (e) "Capital" means the share capital for the time being raised or authorised to be raised for the purpose of the Company. |
| Chairman | (f) "The Chairman" means the Chairman of the Board of Directors, for the time being, of the Company |

| Title of Article | Article Number and contents |
|---|--|
| Charge | (g) "Charge" includes a mortgage. |
| Company | (h) The "Company" shall mean Sah Polymers Limited. |
| Debenture | (i) "Debenture" includes debenture stock, bonds and any other securities of the Company, whether constituting a charge on the assets of the Company or not. |
| Directors | (j) "Directors" means the Board of Directors for the time being of the Company or as the case may be, the Directors assembled at a Board, or acting under a circular resolution under the Articles. |
| Dividend | (k) "Dividend" includes bonus unless otherwise stated. |
| Executor or Administrator | (l) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act,1963. |
| Gender | (m) Words importing the masculine gender shall be deemed to include the feminine gender and <i>vice versa</i> . |
| In writing and written | (n) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in visible form. |
| Legal Representative | (o) "Legal Representative" means a person who in law represents the estate of a deceased Member. |
| Marginal Notes | (p) The marginal notes hereto shall not affect the construction thereof. |
| Members | (q) "Members" means the duly registered holders, from time to time of the Shares of the Company and includes the subscribers to the Memorandum of the Company. |
| Board Meeting or Meeting of Board | (r) "Board Meeting" or "Meeting of Board" means meeting of the Board of Directors. |
| Annual General Meeting or General Meeting | (s) "Annual General Meeting" or "General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act |
| Extra-Ordinary General Meeting | (t) "Extra-Ordinary General Meeting" means an extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof |
| Memorandum | (u) "Memorandum" means the Memorandum of Association of the Company as originally framed and/or altered from time to time. |

| Title of Article | Article Number and contents |
|---|---|
| <p>Month</p> <p>National Company Law Tribunal</p> <p>Office</p> | <p>(v) "Month" means a calendar month</p> <p>(w) "National Company Law Tribunal" means National Company Law Tribunal (Tribunal) as defined under section 408 of the Companies Act, 2013.</p> <p>(x) "Office" means the registered office for the time being of the Company</p> |
| <p>Ordinary Resolution</p> <p>Paid Up</p> <p>Person</p> <p>Proxy</p> <p>Public Holiday</p> <p>The Register of Members</p> <p>The Registrar</p> <p>Seal</p> <p>Secretary</p> <p>Shares</p> <p>Special Resolution</p> <p>The Statutes</p> | <p>(y) "Ordinary Resolution" shall have the meanings assigned to it by Section 114 of the Act</p> <p>(z) "Paid-up" includes capital credited as paid up</p> <p>(aa) "Person" shall be deemed to include corporations and firms as well as individuals.</p> <p>(ab) "Proxy" means an instrument whereby any person is authorized to vote for a member at a General Meeting or Poll and includes attorney duly constituted under the power of attorney.</p> <p>(ac) "Public Holiday" means public holiday within the meaning of the Negotiable Instruments Act, 1881 provided that no date declared by the Central Government to be a public holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.</p> <p>(ad) "The Register of Members" means the Register of Members to be kept pursuant to Section 88 of the Act</p> <p>(ae) "The Registrar" means the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situated.</p> <p>(af) "Seal" means the common seal for the time being of the Company.</p> <p>(ag) "Secretary" means any individual possessing the prescribed qualifications under the Company Secretary Act, 1980 appointed by the Board to perform the duties of a Secretary</p> <p>(ah) "Shares" means share in the share capital of the Company and includes stock where a distinction between stocks and share is expressed or implied</p> <p>(ai) "Special Resolution" shall have the meanings assigned to it by Section 114 of the Act.</p> <p>(aj) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company</p> |

| Title of Article | Article Number and contents |
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| Financial Year | (ak) "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act |
| Singular Number | (al) Words importing the Singular number include where the context admits or requires the plural number and <i>vice versa</i> . |
| These presents | (am) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time. |
| Variation | (an) "Variation" shall include abrogation; and "vary" shall include abrogate. |
| Expressions in the Act to bear the same meaning in Articles | (ao) Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force. |

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

| Title of Article | Article Number and contents |
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| Share Capital | 3. The Authorized Share Capital of the Company shall be as stated in clause V of the Memorandum of Association of the Company, with power of the Company to increase or decrease the capital.* |
| Increase of capital by the Company how carried into effect | 4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 and of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act |
| New Capital same as existing capital | 5. Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. |

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| Non Voting Shares | 6. The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force. |
| Redeemable Preference Shares | 7. Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption. |
| Voting rights of preference shares | 8. The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares. |
| Provisions to apply on issue of Redeemable Preference Shares | 9. On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect: A. No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption. B. No such Shares shall be redeemed unless they are fully paid. C. The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed. D. Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company. E. Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. |
| Reduction of capital | 10. The Company may (subject to the provisions of section 52, 55 and 66, , and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce 1. the share capital; 2. any capital redemption reserve account; or 3. any security premium account. in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted. |

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| Purchase of own Shares | 11. The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase. |
| Sub-division consolidation and cancellation of Shares | 12. Subject to the provisions of Section 61 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled. |

MODIFICATION OF RIGHTS

| Title of Article | Article Number and contents |
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| Modification of Rights | 13. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall <i>mutatis mutandis</i> apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking <i>pari passu</i> therewith. |

SHARES, CERTIFICATES AND DEMATERIALISATION

| Title of Article | Article Number and contents |
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| Restriction on allotment and return of allotment | 14. The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 39 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act. |

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| Further issue of shares | <p>15.</p> <p>(1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:—</p> <p>(i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as prescribed under Rule 12A of the Companies (Share Capital and Debentures) Rules, 2014 and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;</p> <p>Provided that notwithstanding anything contained in this sub-clause and sub-section (2) of this section, in case ninety percent of the members of a private company have given their consent in writing or in electronic mode, the periods lesser than those specified in the said sub-clause or sub-section shall apply.</p> <p>(ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;</p> <p>(iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not dis-advantageous to the shareholders and the company;</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as given in the Act.</p> <p>(c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of Chapter III and other conditions as prescribed under the Act..</p> <p>(2) Nothing in this Article shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debenture issued or loan raised by the company to convert such debentures or loans into shares in the company:</p> <p>Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.</p> <p>(3) Where any debentures have been issued, or loan has been obtained from any Government by a company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the</p> |
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| | <p>raising of such loans do not include a term for providing for an option for such conversion:</p> <p>Provided that where the terms and conditions of such conversion are not acceptable to the company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.</p> <p>(4) Where the Government has, by an order made under (3), directed that any debenture or loan or any part thereof shall be converted into shares in a company and where no appeal has been preferred to the Tribunal under (3) or where such appeal has been dismissed, the memorandum of such company shall, where such order has the effect of increasing the authorised share capital of the company, stand altered and the authorised share capital of such company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.</p> |
| <p>Shares at the disposal of the Directors</p> | <p>16. Subject to the provisions of Section 62 of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 53 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.</p> |

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| <p>Power to offer Shares/options to acquire Shares</p> | <p>16A</p> <p>(a) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not but excluding an independent director), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.</p> <p>(b) In addition to the powers of the Board under Article 16A(i), the Board may also allot the Shares referred to in Article 16A(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A(i)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of monies for the purposes of such trust, as it deems fit.</p> <p>(c) The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A(i) and (ii) above.</p> |
| <p>Application of premium received on Shares</p> | <p>17.</p> <p>(1) where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "the security premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the security premium account were paid up share capital of the Company.</p> <p>(1) The security premium account may, notwithstanding anything in clause (I) thereof be applied by the Company:</p> <ul style="list-style-type: none"> • In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus; • In writing off the preliminary expenses of the Company; <ul style="list-style-type: none"> • In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company; or • In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. <p>(e) For the purchase of its own shares or other securities</p> |
| <p>Power also to Company in</p> | <p>18.</p> <p>In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General</p> |

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| General Meeting to issue Shares | Meeting may, subject to the provisions of Section 62 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 52 and 53 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 52 and 53 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares. |
| Power of General Meeting to authorize Board to offer Shares/Options to employees | <p>18A</p> <p>Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose</p> <p>In addition to the powers contained in Article 18A(i), the General Meeting may authorize the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.</p> |
| Shares at a discount | <p>19.</p> <p>(1) The Company may issue sweat equity shares of a class of shares already issued, if the following conditions are fulfilled, namely:—</p> <p>(a) The issue is authorised by a special resolution passed by the company;</p> <p>(b) The resolution specifies the number of shares, the current market price, consideration, if any, and the class or classes of directors or employees to whom such equity shares are to be issued;</p> <p>(c) Where the equity shares of the company are listed on a recognised stock exchange, the sweat equity shares are issued in accordance with the regulations made by the Securities and Exchange Board in this behalf and if they are not so listed, the sweat equity shares are issued in accordance with Companies (Share Capital and Debentures) Rules, 2014.</p> <p>(2) The rights, limitations, restrictions and provisions as are for the time being applicable to equity shares shall be applicable to the sweat equity shares issued under this Article and the holders of such shares shall rank pari passu with other equity shareholders.</p> |

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| | (3) A company may issue shares at a discount to its creditors when its debt is converted into shares in pursuance of any statutory resolution plan or debt restructuring scheme in accordance with any guidelines or directions or regulations specified by the Reserve Bank of India under the Reserve Bank of India Act, 1934 or the Banking (Regulation) Act, 1949. |
| Installments of Shares to be duly paid | 20. If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided |
| The Board may issue Shares as fully paid-up | 21. Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares. |
| Acceptance of Shares | 22. Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member. |
| Deposit and call etc., to be debt payable | 23. The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly. |
| Liability of Members | 24. Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof. |

| Title of Article | Article Number and contents |
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| Dematerialization of securities | <p>25.(A)</p> <p>Definitions</p> <p>Beneficial Owner “Beneficial Owner” means a person whose name is recorded as such with a Depository.</p> <p>SEBI “SEBI” means the Securities and Exchange Board of India.</p> <p>Bye-Laws “Bye-Laws” mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;</p> <p>Depositories Act “Depositories Act” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;</p> <p>Depository “Depository” means a company formed and registered under the Companies Act, 2013 or any previous act and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;</p> <p>Record “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;</p> <p>Regulations “Regulations” mean the regulations made by SEBI;</p> <p>Security “Security” means such security as may be specified by SEBI</p> |
| Dematerialisation of securities | <p>25.(B)</p> <p>Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.</p> |
| Options to receive security certificates or hold securities with depository | <p>25.(C)</p> <p>Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository.</p> <p>Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allottee as the Beneficial Owner of that Security.</p> |
| Securities in depository to be in fungible form | <p>25.(D)</p> <p>All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 88, 89, 112, and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.</p> |

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| Rights of depositories and beneficial owners | <p>25.(E)</p> <p>a) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;</p> <p>b) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;</p> <p>c) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.</p> |
| Depository To Furnish Information | <p>25.(F)</p> <p>Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.</p> |
| Service of documents | <p>25.(G)</p> <p>Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.</p> |
| Option to opt out in respect of any security | <p>25.(H)</p> <p>If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.</p> |
| Sections 45 and 56 of the Act not to apply | <p>25.(I)</p> <p>Notwithstanding anything to the contrary contained in the Articles,</p> <p>i) Section 45 of the Act shall not apply to the Shares held with a Depository;</p> <p>ii) Section 56 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.</p> |
| Share certificate | <p>26.</p> <p>(a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.</p> <p>(b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.</p> |

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| <p>Limitation of time for issue of certificates</p> | <p>26A. Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.</p> |
| <p>Renewal of share certificates</p> | <p>27. No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.</p> <p>PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized</p> |
| <p>Issue of new certificate in place of one defaced, lost or destroyed</p> | <p>28. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.20/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p> <p>The provision of this Article shall <i>mutatis mutandis</i> apply to Debentures of the Company.</p> |

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| The first name joint holder deemed sole holder | 29. If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles. |
| Issue of Shares without Voting Rights | 30. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such shares upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law. |
| Buy-Back of Shares and Securities | 31. Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of Section 67 and SEBI (Buy back of Shares) Regulations, as may be permitted by law. |
| Employees Stock Options Scheme/ Plan | 32. The Directors shall have the power to offer, issue and allot Equity Shares or Debentures (Whether fully / partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit. |
| Sweat Equity | 33. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition. |
| Postal Ballot | 34. The Company may pass such resolution by postal ballot in the manner prescribed by Section 110 of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in general meeting of the Company. |

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| <p>Company not bound to recognize any interest in Shares other than of registered holder</p> | <p>35. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.</p> |
| <p>Trust recognised</p> | <p>36. Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.</p> |
| <p>Declaration by person not holding beneficial interest in any Shares</p> | <p>37. (1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act 2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act (3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act (4) Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.</p> |
| <p>Funds of Company not to be applied in purchase of Shares of the Company</p> | <p>38. No funds of the Company shall except as provided by Section 67 of the Act, be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of Sections 52, 55 and 66 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person for any</p> |

Share in the Company or in its holding Company.

UNDERWRITING AND BROKERAGE

| Title of Article | Article Number and contents |
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| Commission may be paid | 39. Subject to the provisions of Section 40 of the Act, the Company may at anytime pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company but so that the commission shall not exceed, in the case of the Shares, five percent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case may be or partly in one way and partly in the other. |
| Title of Article | Article Number and contents |
| Brokerage | 40. The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful. |
| Commission to be included in the annual return | 41. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Section 92 of the Act. |

DEBENTURES

| Title of Article | Article Number and contents |
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| Debentures with voting rights not to be issued | 42. (a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business. (b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 71 of the Act. (c) Payments of certain debts out of assets subject to floating charge on priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act. (d) Certain charges (which expression includes mortgage) mentioned in Section 77 of the Act, shall be void against the Liquidator or Creditor unless registered as provided in Section 77 of the Act. (e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance. (f) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 56 of the Act) within six months after the allotment of its debentures or debenture – stock and within one month after the application for the registration of the transfer of any such debentures or debenture-stock have completed and ready for delivery the |

certificate of all debenture-stock allotted or transferred.

(g) The Company shall comply with the provisions of Section 71 of the Act, as regards supply of copies of debenture Trust Deed and inspection thereof.

(h) The Company shall comply with the provisions of Section 77 to 87 (inclusive) of the Act as regards registration of charges.

CALLS

| Title of Article | Article Number and contents |
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| Directors may make calls | <p>43.</p> <p>(a) Subject to the provisions of Section 49 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board make such calls as it thinks fit upon the Members in respect of all monies unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.</p> <p>(b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p> |
| Notice of call when to be given | <p>44.</p> <p>Not less than fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.</p> |
| Call deemed to have been made | <p>45.</p> <p>A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.</p> |
| Directors may extend time | <p>46.</p> <p>The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time to call or any of the Members, the Board of Directors may deem fairly entitled to such extension but no Member shall be entitled to such extension as of right except as a matter of grace and favour.</p> |
| Amount payable at fixed time or by installments to be treated as calls | <p>47.</p> <p>If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.</p> |

| When interest on call or installment payable | <p>48.</p> <p>If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.</p> |
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| Title of Article | Article Number and contents |
| Evidence in action by Company against share holder | <p>49.</p> <p>On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p> |
| Payment in anticipation of calls may carry interest | <p>50.</p> <p>The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the monies due upon the shares held by him beyond the sums actually called for, and upon the amounts so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.</p> <p>The Members shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment, become presently payable.</p> <p>The provisions of these Articles shall mutatis mutandis apply to the calls on any other securities including Debentures of the Company.</p> |

FORFEITURE OF SHARES

| Title of Article | Article Number and contents |
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| If money payable on Shares not paid notice to be given | 55. If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment. |
| Sum payable on allotment to be deemed a call | 56. For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment. |
| Title of Article | Article Number and contents |
| Form of notice | 57. The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited. |
| In default of payment Shares to be forfeited | 58. If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited Shares and not actually paid before the forfeiture. |
| Notice of forfeiture to a Member | 59. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. |
| Forfeited Shares to be the property of the Company and may be sold etc. | 60. Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit. |

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| Member still liable for money owing at the time of forfeiture and interest | 61. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such monies or any part thereof, if it thinks fit, but shall not be under any obligation to do so. |
| Effects of forfeiture | 62. The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved. |
| Power to annul forfeiture | 63. The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit. |
| Title of Article | Article Number and contents |
| Declaration of forfeiture | 64 (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off. (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share. (d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment. (e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares. |
| Provisions of these articles as to forfeiture to apply in case of nonpayment of | 65. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. |

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| any sum. | |
| Cancellation of shares certificates in respect of forfeited Shares | 66. Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto. |
| Evidence of forfeiture | 67. The declaration as mentioned in Article 64(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. |
| Title of Article | Article Number and contents |
| Validity of sale | 68. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. |
| Surrender of Shares | 69. The Directors may subject to the provisions of the Act, accept a surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit. |

TRANSFER AND TRANSMISSION OF SHARES

| Title of Article | Article Number and contents |
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| No transfers to minor setc. | 70. No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind. |
| Instrument of transfer | 71. The instrument of transfer shall be in writing and all provisions of Section 56 of the Companies Act, 2013 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. |

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| Application for transfer | <p>72.</p> <p>(b) An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee.</p> <p>(c) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.</p> <p>(d) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.</p> |
| Execution of transfer | <p>73.</p> <p>The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 56 of the Companies Act, 2013 and any statutory modification thereof for the time being shall be duly complied with.</p> |
| Transfer by legal representatives | <p>74.</p> <p>A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member, be as valid as if he had been a Member at the time of the execution of the instrument of transfer.</p> |
| Register of Members etc when closed | <p>75.</p> <p>The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.</p> |
| Directors may refuse to register transfer | <p>76.</p> <p>Subject to the provisions of Section 58, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.</p> |

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| Death of one or more joint holders of Shares | 77. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person. |
| Titles of Shares of deceased Member | 78. The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act. |
| Notice of application when to be given | 79. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act. |
| Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause) | 80. Subject to the provisions of the Act and Article 77 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause". |
| Refusal to register nominee | 81. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration. |
| Person entitled may receive dividend without | 82. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or |

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| being registered as a Member | other monies payable in respect of the Share. |
| No fee on transfer or transmissions | 83. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letter of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document. |
| Transfer to be presented with evidence of title | 84. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. |
| Company not liable for disregard of a notice prohibiting registration of transfer | 85. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit |

SHARE WARRANTS

| Title of Article | Article Number and contents |
|-------------------------------|---|
| Power to issue share warrants | 86. The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant. |
| Deposit of share warrants | 87. (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit |

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| | <p>Warrant</p> <p>(b) Not more than one person shall be recognized as depositor of the Share Warrant</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor</p> |
| Privileges and disabilities of the holders of share warrant | <p>88.</p> <p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p> |
| Issue of new share warrant coupons | <p>89.</p> <p>The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.</p> |

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

| Title of Article | Article Number and contents |
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| Share may be converted into stock | <p>90.</p> <p>The Company may, by Ordinary Resolution: Convert any fully paid up Share into stock, and (b) reconvert any stock into fully paid-up Shares.</p> |
| Transfer of stock | <p>91.</p> <p>The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under 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 stock arose.</p> |
| Right of stock holders | <p>92.</p> <p>The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting 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 those privileges or advantages.</p> |
| Regulation applicable to stock and share warrant | <p>93.</p> <p>Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stockholder" respectively.</p> |

BORROWING POWERS

| Title of Article | Article Number and contents |
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| Power to borrow | 94. Subject to the provisions of Sections 73, 179 and 180 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company, its free reserves (not being reserves set apart for any specific purpose) and securities premium the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded. |
| The payment or repayment of monies borrowed | 95. The payment or repayment of monies borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. |
| Bonds, Debentures, etc. to be subject to control of Directors | 96. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company. |
| Terms of issue of Debentures | 97. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise; However, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution. |
| Mortgage of uncalled capital | 98. If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed. |

MEETING OF MEMBERS

| Title of Article | Article Number and contents |
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| First Annual General meeting | 99. The First Annual General meeting shall be held in accordance with the provisions of Section 96 of the Act within a period of nine months from the date of closing of first financial year of the company . |
| Annual General Meeting | 100. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time with which any Annual General Meeting may be held. Every Annual General Meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company, shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 92 and 137 of the Act. |
| Report statement and registers to be laid before the Annual General Meeting | 101. The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting. |
| Extra-Ordinary General Meeting | 102. All General Meeting other than Annual General Meetings shall be called Extra-Ordinary General Meeting. |

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| <p>Requisitionists' meetig</p> | <p>103.</p> <p>(f) Subject to the provisions of Section 100 and 111 of the Act, the Directors shall on the requisition in writing or through electronic mode at least twenty one clear days prior to the proposed date of the requisitioned extraordinary general meeting, of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of therequisitionists:-</p> <ul style="list-style-type: none"> • Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, specifying the place, date, day and hour of the meeting and the business to be transacted at the meeting notice of any resolution which may properly be movedandisintendedtobemovedatthatmeeting. • Circulate to the Members entitled to have notice of any General Meeting sentto them,anystatementofnotmorethanonethousandwordswithrespect to the matter referred to in any proposed resolution or any business to be dealt with at thatMeeting. <p>(2)ThenumberofMembersnecessaryforarequisitionunderclause(1)hereof shall be (a) Such number of Members as represent not less than one-tenth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates;</p> <p>(3) The requisition so made shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.</p> <p>(4) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitonists themselves within a period of three months from the date of the requisition.</p> <p>(5) The requisitionists should convene meeting at Registered office or in the same city or town where Registered office is situated and such meeting should be convened on any day except national holiday.</p> <p>(6) The notice shall be signed by all the requisitionists or by a requisitionists duly authorised in writing by all other requisitionists on their behalf or by sending an electronic request attaching therewith a scanned copy of such duly signed requisition.</p> <p>(7) No explanatory statement as provided in Article 109 need be annexed to the notice of an extraordinary general meeting convened by the requisitionists and the requisitionists may disclose the reasons for the resolution(s) which they propose to move at the meeting.</p> <p>(8) The notice of the meeting shall be given to those members whose names appear in the Register of members of the company within three days on which the requisitionists deposit with the Company a valid requisition for calling an extraordinary general meeting.</p> <p>(9) Where the meeting is not convened, the requisitionists shall have a right to receive list of members together with their registered address and number of shares held and the company concerned is bound to give a list of members together with their registered address made as on twenty first day from the date of receipt of valid requisition together with such changes, if any, before the expiry of the forty-five days from the date of receipt of a valid requisition.</p> <p>(10) The notice of the meeting shall be given by speed post or registered post or through electronic mode. Any accidental omission to give notice to, or the non-receipt of such notice by, any member shall not invalidate the proceedings of the</p> |
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| | meeting. |
| <p>Extra-Ordinary General Meeting by Board and by requisition</p> <p>When a Director or any two Members may call an Extra Ordinary General Meeting</p> | <p>104.</p> <p>(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.</p> <p>(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra- Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.</p> |
| <p>Contents of requisition, and number of requisitionists required and the conduct of Meeting</p> | <p>105.</p> <p>(1) In case of requisition the following provisions shall have effect:</p> <p>(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.</p> <p>(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.</p> <p>(c) The number of Members entitled to requisition a Meeting in regard to</p> |

any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.

(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (c) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.

(e) If the Board does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:

By the requisitionists themselves ;or

(i) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (I) which ever is less. PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by subsection (2) of Section 114 of the Act.

| Title of Article | Article Number and contents |
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| | <p>(a) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:</p> <ul style="list-style-type: none"> • shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but • shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period. <p>(a) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.</p> <p>(b) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p> |
| Length of notice of Meeting | <p>106.</p> <p>(a) A General Meeting of the Company may be called by giving not less than clear twenty-one days notice in writing.</p> <p>(b) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:</p> <ul style="list-style-type: none"> • In the case of Annual General Meeting by all the Members entitled to vote thereat; and • In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting. <p>PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.</p> |

| Title of Article | Article Number and contents |
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| Contents and manner of service of notice | <p>107</p> <p>(i) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat.</p> <p>(ii) Subject to the provisions of the Act notice of every General Meeting shall be given;</p> <ul style="list-style-type: none"> • to every Member of the Company, in any manner authorised by of Section 20 of the Act; • to the persons entitled to a Share in consequence of the death, or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and • to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 20 of the Act in the case of Members of the Company <p>PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of Registered Office of the Company under of Section 20 of the Act, the statement of material facts referred to in Section 102 of the Act need not be annexed to the notice as required by that Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.</p> <p>(3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.</p> |

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| <p>Special and ordinary business and explanatory statement</p> | <p>108. (1)(a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to the consideration of the accounts, balance sheet the reports of the Board of Directors and Auditors; (b) the declaration of dividend; (c) the appointment of Directors in the place of those retiring; and (d) the appointment of, and the fixing of the remuneration of the Auditors, and (b) In the case of any other meeting, all business shall be deemed special (2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item, of business, including in particular the nature of the concern or interest, if any, therein of every Director. PROVIDED THAT, where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up-share capital of the other company. (3) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p> |
| <p>Omission to give notice not to invalidate proceedings</p> | <p>109. The accidental omission to give such notice as aforesaid to or non-receipt thereof by, any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.</p> |
| <p>Notice of business to be given</p> | <p>110. No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.</p> |
| <p>Quorum</p> | <p>111. Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 113 of the Act.</p> |
| <p>If quorum not present when Meeting to be dissolved and when to be adjourned</p> | <p>112. If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.</p> |

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| Resolution passed at adjourned Meeting | 113. Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date. |
| Chairman of General Meeting. | 114. At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman. |
| Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required. | 114(A) Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution. |
| Business confined to election of Chairman whilst the Chair is vacant | 115. No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant. |
| Chairman may adjourn Meeting | 116. (2) The Chairman may with the consent of 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. (3) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. (4) 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. (5) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting. |
| How questions are decided at Meetings | 117. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles. |
| Chairman's declaration of result of voting on show of hands | 118. A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution. |

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| Demand of poll | 119. Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than five lakhruppes has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand. |
| Time of taking poll | 120. A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken |
| Chairman's casting vote | 121. In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member. |
| Appointment of scrutinizers | 122. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutinizers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of the scrutinizer arising from such removal or from any other cause. |
| Demand for poll not to prevent transaction of other business | 123. The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded. |
| Special notice | 124. Where by any provision contained in the Act or in these Articles, special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not earlier than three months but at least fourteen days before the date Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting. |

VOTES OF MEMBERS

| Title of Article | Article Number and contents |
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| Member paying money in advance not to be entitled to vote in respect thereof | 125. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of monies so paid by him until the same would but for such payment become presently payable. |
| Restriction on exercise of voting rights of Members who have not paid calls | 126. No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien. |
| Number of votes to which Member entitled | 127. Subject to the provisions of Article 125, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in sub-section (2) of Section 47) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken. |
| Votes of Members of unsound mind | 128. A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy. |
| Votes of joint Members | 129. If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof. |

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| Representation of body corporate | <p>130.</p> <p>(a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorised by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat.</p> <p>(b) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor</p> |
| | <p>may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.</p> |
| Votes in respects of deceased or insolvent Members | <p>131.</p> <p>Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty- eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.</p> |
| Voting in person or by proxy | <p>132.</p> <p>Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act.</p> |
| Rights of Members to use votes differently | <p>133.</p> <p>On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses</p> |
| Proxies | <p>134.</p> <p>Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right what so ever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.</p> |

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| Proxy either for specified meeting or for a period | 136. An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting. |
| No proxy to vote on a show of hands | 137. No proxy shall be entitled to vote by a show of hands. |
| Instrument of proxy when to be deposited | 138. The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid. |
| Form of Proxy | 139. Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set |
| | out in Section 105 of the Act, and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or besigned by any officer or attorney duly authorised by it. |
| Validity of votes given by proxy notwithstanding revocation of authority | 139. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked. |
| Time for objection to vote | 140. No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all purposes and such objection made in due time shall be referred to the Chairman of the Meeting. |
| Chairman of any Meeting to be the judge of Validity of any value | 141. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive. |
| Custody of Instrument | 142. If any such instrument of appointment is confined to the object of appointing an attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company. |

DIRECTORS

| Title of Article | Article Number and contents |
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| Number of Directors | 143. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three and not more than fifteen. |
| Directors at time of adoption of Articles | 144. The persons hereinafter named are the Directors of the Company at time of adoption of the new set of Articles dated 15/07/2021:- Asad Daud Hakim Sadiq Ali Tidiwala Nikhil Khanderiao Raut Ramesh Chandra Soni Sanjay Suthar |
| Debenture Directors | 145. Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to |
| | remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein. |
| Nominee Director or Corporation Director | 146. (i) Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the Corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/their places. (ii) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company. (iii) The Nominee Director(s) so appointed shall hold the said office only so long as any monies remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall |

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| | <p><i>ipso facto</i> vacate such office immediately on the monies owing by the Company to the Corporation being paidoff</p> <p>(iv) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.</p> <p>(v) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, monies or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that</p> <p>if any such Nominee Director/s is/are an officer(s) of the Corporation..</p> |
| | <p>Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such powers and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation(s) nominated him.</p> |
| <p>Special Director</p> | <p>147.</p> <p>In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company , corporation ,firm or person herein-after in this clause referred to as “collaboration” to appoint from time to time any person as director of the company (hereinafter referred to as “special director”) and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.</p> <p>The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.</p> <p>It is clarified that every collaborator entitled to appoint a director under this Article may appoint one such person as a director and so that if more then one collaborator is so entitled there may be at any time as many special directors</p> |

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| | as the collaborators eligible to make the appointment. |
| Limit on number of retaining Directors | 148. The provisions of Articles 145, 146, 147 and 148 are subject to the provisions of Section 152 of the Act and number of such Directors appointed under Article 146 shall not exceed in the aggregate one third of the total number of Directors for the time being in office. |
| Alternate Director | 149. The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article |
| Title of Article | Article Number and contents |
| | shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to the State as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director. |
| Directors may fill in vacancies | 150. The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election. |
| Additional Directors | 151. The Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only upto the date of the next Annual General Meeting and shall be eligible for election at such Meeting. |
| Qualification shares | 152. A Director need not hold any qualification shares. |
| Directors' sitting fees | 153. The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine. |

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| <p>Extra remuneration to Directors for specialwork</p> | <p>154. Subject to the provisions of Sections 188, 196 and 197 , , , of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Board of Directors, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.</p> <p>Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either: (a) bywayofmonthly,quarterlyorannualpaymentwiththeapprovalofthe Central Government;or (b) bywayofcommissioniftheCompanybyaSpecialResolutionauthorised suchpayment.</p> |
| <p>Title of Article</p> | <p>Article Number and contents</p> |
| <p>Travelling expenses incurred by Directors on Company's business</p> | <p>155. The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum as the Board may consider fair compensation for travelling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.</p> |
| <p>Director may act notwithstanding vacancy</p> | <p>156. The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.</p> |

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| Board resolution necessary for certain contracts | <p>157.</p> <p>(1) Subject to the provisions of Section 188 of the Act, except with the consent of the Board of Directors given by a resolution at a meeting of the Board, no company shall enter into any contract or arrangement with a related party with respect to—</p> <p>(a) sale, purchase or supply of any goods or materials;</p> <p>(b) selling or otherwise disposing of, or buying, property of any kind;</p> <p>(c) leasing of property of any kind;</p> <p>(d) availing or rendering of any services;</p> <p>(e) appointment of any agent for purchase or sale of goods, materials, services or property;</p> <p>(f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and</p> <p>(g) underwriting the subscription of any securities or derivatives thereof, of the company:</p> <p>PROVIDED THAT no member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.</p> <p>Provided also that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.</p> <p>Provided also that the requirement of passing the resolution under first proviso shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.</p> <p>(2) In case the paid up capital or transaction exceeds the limits prescribed under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, the contracts or arrangements with respect to that given under clause (1) shall be entered with prior approval of the company by a resolution.</p> <p>(3) Every contract or arrangement so entered into shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.</p> |
| Title of Article | Article Number and contents |
| | <p>(4) Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting under clause (1) or clause (2) as the case may be, and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.</p> |

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| <p>Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Wholetime Director</p> | <p>158. When the Company:-</p> <p>10. enters into a contract for the appointment of a Managing Director or Wholetime Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested;or</p> <p>11. varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 190 of the Act shall be compliedwith.</p> |
| <p>Disclosure of interest of Directors</p> | <p>159.</p> <p>17.(1) A director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate , firms, or other association of individuals which shall include the shareholding.</p> <p>(2) Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—</p> <p>(a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter , manager, Chief Executive Officer of that body corporate; or</p> <p>(b) with a firm or other entity in which, such director is a partner, owner or member , as the case may be,shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:</p> <p>PROVIDED THAT where a director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.</p> <p>(3) A contract or arrangement entered into by the company without disclosure under clause (2) or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.</p> |
| <p>Title of Article</p> | <p>Article Number and contents</p> |

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| <p>Directors and Managing Director may contract with Company</p> | <p>160. Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 184 of the Act and in this respect all the provisions of Section 189 of the Act shall be duly observed and complied with.</p> |
| <p>Disqualification of the Director</p> | <p>161. A person shall not be capable of being appointed Director of the Company if:- (a) he has been found to be of unsound mind and stands so declared by a competent court; he is an undischarged insolvent; 21. he has applied to be adjudged an insolvent and his application is pending; 22. he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company; 23. he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or 24. an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force; 25. he has not complied with sub-section (3) of section 152. 26. he has not complied with the provisions of sub-section (1) of section 165. 27. he is or has been a director of a company which has not filed financial statements or annual returns for any continuous period of three financial years; 28. he is or has been a director of a company which has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debenture on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so. Provided that where a person is appointed as a director of a company which is in default of clause (i) or clause (j), he shall not incur the disqualification for a period of six months from the date of his appointment.</p> |

| Title of Article | Article Number and contents |
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| Vacation of office by Directors | <p>162.</p> <p>The office of Director shall become vacant if:-</p> <p>27. he incurs any disqualification as provided in Article 161.</p> <p>Provided that where he incurs disqualification under clause (i) and (j) of Article 161, the office of the director shall become vacant in all the companies, other than the company which is in default under those sub-clauses.;or</p> <p>28. he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;or</p> <p>29. he acts in contravention of the provisions of Article 159 relating to entering into contracts or arrangements in which he is directly or indirectly interested</p> <p>30. he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Article 159; or</p> <p>31. he becomes disqualified by an order of the Court or the Tribunal;</p> <p>or</p> <p>32. he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months.</p> <p>Provided that the office shall not be vacated by the director in case of orders referred to in clauses (e) and (f)—</p> <p>(i) for thirty days from the date of conviction or order of disqualification;</p> <p>(ii) where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <ul style="list-style-type: none"> • where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed of. <p>;or</p> <p>33. he is removed in pursuance of the provisions of the Act.</p> <p>34. he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary company, associate company, ceases to hold such office or other employment in that company.,or</p> |

| Title of Article | Article Number and contents |
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| Removal of Directors | <p>164.</p> <p>(a) The Company may subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 242 of the Act before the expiry of his period of office, after giving a reasonable opportunity of being heard. Provided that an independent director re-appointed for second term under sub-section (10) of section 149 shall be removed by the company only by passing a special resolution and after giving him a reasonable opportunity of being heard: Provided further that nothing contained in this sub-section shall apply where the company has availed itself of the option given to it under section 163 to appoint not less than two thirds of the total number of directors according to the principle of proportional representation.</p> <p>(b) Special Notice shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.</p> <p>(c) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy; thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.</p> <p>(d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are received by it too late for it to do so:</p> <p>(i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and</p> <p>(ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations are received by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting; provided that copies of the representation need not be sent or read out at the Meeting if on the application, either of the Company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.</p> <p>(e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 153 or Section 161 of the Act be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special</p> |

| Title of Article | Article Number and contents |
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| | <p>notice of the intended appointment has been given under Article 162 hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.</p> <p>(1) If the vacancy is not filled under sub-clause (e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable, of Article 152 or Section 161 of the Act, and all the provisions of that Article and Section shall apply accordingly</p> <p>(2) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>(3) Nothing contained in this Article shall be taken:-</p> <p>(a) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director, or</p> <p>(b) as derogating from any power to remove a Director which may exist apart from this Article.</p> |
| Interested Directors not to participate or vote in Board's proceedings | <p>165.</p> <p>No Director shall as a Director take part in the discussion of or vote on any contract, arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:-</p> <p>(b) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;</p> <p>(c) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;</p> <p>(i) in his being:</p> <p>) a director of such company; and</p> <p>(2) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the Company, or</p> <p>(ii) in his being a member holding not more than two percent of its paid-up share capital.</p> |
| Director may be director of companies promoted by the Company | <p>166.</p> <p>A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as a director or shareholder of such company except insofar as Section 197(14) or Section 188 of the Act may be applicable.</p> |
| Appointment of Sole Selling Agents | <p>167.</p> <p>a) The appointment, re-appointment and extension of the term of a sole selling agent, shall be regulated in accordance with the provisions of Section 188 of the Act and any Rules or Notifications issued by the competent authority in accordance with that Section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such rules or notifications, if any, as may be applicable.</p> |

| Title of Article | Article Number and contents |
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| | b) The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 188 of the Act. |

ROTATION AND APPOINTMENT OF DIRECTORS

| Title of Article | Article Number and contents |
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| Rotation of Directors | 168. Not less than two third of the total number of Directors shall (a) be persons whose period of the office is liable to termination by retirement by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting. |
| Retirement of Directors | 169. Subject to the provisions of Articles 147 and 149, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate. |
| Retiring Directors | 170. Subject to the provisions of Section 152 of the Act and Articles 145 to 152, at every Annual General Meeting of the Company, one-third or such of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 183, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation. |
| Appointment of Technical or Executive Directors | 171. a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors. b) Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting is vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid. |
| Ascertainment of Directors retiring by rotation and filling of vacancies | 172. Subject to Section 174 of the Act, the Directors retiring by rotation under Article 173 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot. |
| Eligibility for re-election | 173. A retiring Director shall be eligible for re-election and shall act as a Director throughout and t i l l the conclusion of the Meeting at which he retires. |
| Title of Article | Article Number and contents |

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| Company to fill vacancies | 174. Subject to Sections 149 and 188 of the Act, the Company at the General Meeting, at which a Director retires in manner aforesaid, may fill up the vacancy by appointing the retiring Director or some other person thereto. |
| Provision in default of appointment | 175. If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place. If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Directors shall be deemed to have been re-appointed at the adjourned Meeting, unless: (1) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost. (2) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed. (3) he is not qualified or is disqualified for appointment (4) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or (5) the provision of the section 162 of the Act is applicable to the case. |
| Company may increase or reduce the number of Directors or remove any Director | 176. Subject to the provisions of Section 149, and 152 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications. |
| Appointment of Directors to be voted individually | 177. No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it. A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions of the automatic re-appointment of retiring Directors in default of another appointment as herein before provided shall apply. For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment. |

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| <p>Notice of candidature for office of Directors except in certain cases</p> | <p>178.</p> <p>(1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director.</p> <p>(3) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office by serving individual notices on the Members not less than seven days before the Meeting provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the Meeting in at least two newspapers circulating in the place where the registered office of the Company is located of which one is published in the English language and the other in the regional language of that place.</p> <p>(4) Every person (other than Director retiring by rotation or otherwise a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.</p> <p>(5) A person other than a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 149 of the Act, appointed as a Director or re-appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.</p> |
| <p>Disclosure by Directors of their holdings of their Shares and debentures of the Company</p> | <p>179.</p> <p>Every Director shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of Section 170. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.</p> |
| <p>Votes of Body Corporate</p> | <p>180.</p> <p>A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company and the persons so authorized shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were an individual member of the Company and the production of a copy of the Minutes of such resolution certified by a Director or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote.</p> |

MANAGING DIRECTOR

| Title of Article | Article Number and contents |
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| Powers to appoint Managing Director | <p>181.</p> <p>Subject to the provisions of Section 196, and 203, of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Wholetime Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>(a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013.</p> <p>(b) Subject to the provisions of Sections 152 of the Act and any contract between him and the company, the Managing Director shall be while he continues to hold that office, subjected to retirement by rotation.</p> |
| Remuneration of Managing Director | <p>182.</p> <p>Subject to the provisions of Sections 196, and 197 of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.</p> |
| Special position of Managing Director | <p>183.</p> <p>Subject to any contract between him and the Company, a Managing or Wholetime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, <i>ipso facto</i> and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.</p> |
| Powers of Managing Director | <p>184.</p> <p>The Board may from time to time entrust to and confer upon a Managing Director or Whole time Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.</p> |
| | <p>185.</p> <p>The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> |

| Title of Article | Article Number and contents |
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| | <p>186. Receipts signed by the Managing Director for any monies, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such monies shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign and accept and endorse cheques on behalf of the Company.</p> |
| | <p>187. The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as he may think fit.</p> |
| | <p>188. Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p> |
| <p>Appointment and powers of Manager</p> | <p>188A The Board may, from time to time, appoint any Manager (under Section 2(53) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may, confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient.</p> |

WHOLE TIME DIRECTOR

| Title of Article | Article Number and contents |
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| Power to appoint Whole Time Director and/or Whole-time Directors | <p>189.</p> <p>Subject to the provisions of the Act and of these Articles, the Board may from time to time with such sanction of the Central Government as may be required by law appoint one or more of its Director/s or other person/s as Whole-Time Director or Whole-Time Directors of the Company out of the Directors/ persons nominated under Article only either for a fixed term that the Board may determine or permanently for life time upon such terms and conditions as the Board may determine. The Board may by ordinary resolution and / or an agreement/s vest in such Whole-Time Director or Whole Time Directors such of the powers authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period or periods and upon such conditions and subject to such restrictions as may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and / or remove or dismiss him or them and appoint another or others in his or their place or places again out of the Directors / persons nominated under Article 191 only. The Whole Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of an ordinary resolution or a contract/s or an agreement/s under such terms not expressly prohibited by the Act.</p> |
| Title of Article | Article Number and contents |
| To what provisions Whole time Directors shall subject | <p>190.</p> <p>Subject to the provisions of Section 152 of the Act and these Articles, a Whole Time Director or Whole Time Directors shall not, while he/they continue to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between him/they and the Company) he/they shall be subject to the same provisions as to resignation and removal as the other Directors, and he/they shall ipso facto and immediately ceases or otherwise cease to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act at any Annual General Meeting and shall be re-appointed as a Director or Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Whole Time Directors.</p> |
| Seniority of Whole Time Director and Managing Director | <p>191.</p> <p>If at any time the total number of Managing Directors and Whole Time Directors is more than one, then who shall retire shall be determined by and in accordance with their respective seniorities subject to the provisions of any contract with the company. For the purpose of this Article the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company</p> |

PROCEEDINGS OF THE BOARD OF DIRECTORS

| Title of Article | Article Number and contents |
|---|---|
| Meeting of Directors | <p>192.</p> <p>The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 173 of the Act allow otherwise, Directors shall so meet at least once in every one hundred and twenty days and atleast four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.</p> |
| Quorum | <p>193.</p> <p>(1) Subject to Section 174 of the Act the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher. PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of remaining who are not interested) present at the Meeting being not less than two shall be the quorum during such time.</p> <p>(2) for the purpose of clause (a)</p> <p>(a) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and</p> <p>(b) "Interested Directors" means any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.</p> |
| Procedure when Meeting adjourned for want of quorum | <p>194.</p> <p>If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand, adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.</p> |
| Chairman of Meeting | <p>195.</p> <p>The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.</p> |
| Question at Board meeting how decided | <p>196.</p> <p>Subject to the provisions of Section 203, 186(5) and of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.</p> |

| Title of Article | Article Number and contents |
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| Powers of Board meeting | 197. A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally. |
| Directors may appoint Committee | 198. The Board of Directors may subject to the provisions of Section 179 and other relevant provisions of the Act, and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board. |
| Meeting of the Committee how to be governed | 199. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two. |
| Circular resolution | 200. (a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 198 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held. (b) A resolution shall be deemed to have been duly passed by the Board |
| | or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution. |
| Acts of Board or Committee valid notwithstanding defect in appointment | 201. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated. |

POWERS OF THE BOARD

| Title of Article | Article Number and contents |
|---|--|
| General powers of management vested in the Board of Directors | <p>202.</p> <p>The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.</p> <p>Provided that the Board shall not, except with the consent of the Company in General Meeting :-</p> <p>(a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;</p> <p>(b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation; ,</p> <p>(c) borrow monies where the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company, its free reserves that is to say, reserves not set apart for any specific purpose and securities premium;</p> <p>(d) to remit, or give time for the repayment of, any debt due from a director.</p> |
| Title of Article | Article Number and contents |
| Certain powers of the Board | <p>204.</p> <p>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:</p> <ol style="list-style-type: none"> 1. To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. 2. To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act. 3. Subject to Section 179 and 188 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. 4. At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in |

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| | share, bonds, debentures, mortgages, or otherwise securities of the |
| | <p>Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.</p> <p>5. To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.</p> <p>6. To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.</p> <p>7. To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.</p> <p>8. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon.</p> <p>9. To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of</p> |

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| | <p>companies.</p> <ol style="list-style-type: none"> i. To make and give receipts, releases and other discharges for monies payable to the Company and for the claims and demands of the Company. ii. Subject to the provisions of Sections 179, 185, and 186 and all other applicable provisions of the Act, to invest and deal with any monies of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name. iii. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon. iv. To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose. v. To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any, Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as a part of the working expenses of the Company. vi. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of monies, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 180 and 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise. vii. Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 179 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than |
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Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital monies of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

1. To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and of such amount as they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

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| | <ol style="list-style-type: none"> 2. To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager. 3. From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments. 4. Subject to Section 179 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorise the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation. 5. At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 179 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them. 6. Subject to Sections 188 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient. 7. From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants. 8. To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India. 9. To purchase, take on lease, for any term or terms of years, or |
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| | <p>otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.</p> <ol style="list-style-type: none"> 9. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power. 10. To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how. 11. To sell from time to time any articles, materials, machinery, plants, stores and other articles and things belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products. 12. From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient. 13. To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate. 14. To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested. 15. To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit. 16. Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid. 17. To comply with the requirements of any local law which in 18. their opinion it shall in the interest of the Company, be necessary or expedient to comply with. |
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MANAGEMENT

| Title of Article | Article Number and contents |
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| Prohibition of simultaneous appointment of different categories of managerial personnel | 205. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely :- (a) Managing Director and (b) Manager |

MINUTES

| Title of Article | Article Number and contents |
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| Minutes to be made | 206. 1. The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with the in pages consecutively numbered. 2. Each page of every such books shall be initialed or signed and the last page 3. of the record of proceedings of each Meeting in such books shall be dated and signed: a. in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting. b. in the case of minutes of proceeding of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose. |
| Minutes to be evidence of the proceeds | 207. (a) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 118 of the Act shall be evidence of the proceedings recorded therein. |
| Books of minutes of General Meeting to be kept | (b) The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 119 of the Act and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section. |
| Presumptions | 208. Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 118 of the Act, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid. |

THE SECRETARY

| Title of Article | Article Number and contents |
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| Secretary | <p>209.</p> <p>The Directors may from time to time appoint, and at their discretion, remove any individual, (hereinafter called “the Secretary”) to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Act..</p> |
| The Seal, its custody and use | <p>210.</p> <p>1. Seal</p> <p>The Board shall provide for the safe custody of the Seal,.</p> <p>2. Affixing of Seal on deeds and instruments</p> <p>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 one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.</p> <p>3. Affixing of Seal on Share Certificates</p> <p>Notwithstanding anything contained in Clause (b) above, the Seal on Share Certificates shall be affixed in the presence of such persons as are authorised from time to time to sign the Share Certificates in accordance with the provisions of the Companies (Share Capital and Debentures) Rules in force for the time being.</p> <p>4. Removal of Common Seal outside the office premises</p> <p>The Board may authorize any person or persons to carry the Common Seal to any place outside the Registered Office for affixture and for return to safe custody to the Registered Office.</p> |

DIVIDENDS AND CAPITALISATION OF RESERVES

| Title of Article | Article Number and contents |
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| Division of profits | 211. (a) 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 Share in the Company, dividends may be declared and paid according to the amounts of the Shares. |
| | (b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares. |
| The Company at General Meeting may declare dividend | 212. The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting. |
| Dividends out of profits only | 213. 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 applied 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. |
| Interim dividend | 214. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit. |
| Debts may be deducted | 215. (a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. (b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same. |
| Capital paid-up in advance to carry interest, not the right to earn dividend | 216. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits. |
| Dividends in proportion to amounts paid-up | 217. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly. |

| Title of Article | Article Number and contents |
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| No Member to receive dividend while indebted to the Company and the Company's right in respect thereof | 218. No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company. |
| Effect of transfer of Shares | 219. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer. |
| Dividend to joint holders | 220. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares. |
| Dividend how remitted | 221. The dividend, interest or monies payable in cash may be paid by electronic mode or cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders 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. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means. |
| Notice of dividend | 222. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Shares in the manner herein provided. |
| Reserves | 223. The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied 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 Directors may from time to time think fit. |
| Dividend to be paid within time required by law. | 224. The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:- (a) where the dividend could not be paid by reason of the operation of any law; or A. where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or B. where there is dispute regarding the right to receive the dividend; or |

| Title of Article | Article Number and contents |
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| | <p>(d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or</p> <p>(e) where for any other reason, the failure to pay the dividend or to post</p> |
| | <p>the warrant within the period aforesaid was not due to any default on the part of the Company.</p> |
| <p>Unpaid or unclaimed dividend</p> | <p>225.</p> <p>Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “Sah Polymers Limited _____ (year) Unpaid Dividend Account”.</p> <p>Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under Section 125 of the Act.</p> <p>No unclaimed or unpaid dividend shall be forfeited by the Board.</p> |
| <p>Set-off of calls against dividends</p> | <p>226.</p> <p>Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.</p> |
| <p>Dividends in cash</p> | <p>227.</p> <p>No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.</p> |
| <p>Capitalisation</p> | <p>228.</p> <p>1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and</p> <p>b. that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.</p> <p>1. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;</p> <p>a. paying up any amount for the time being unpaid on any Shares held by such Members respectively, or</p> <p>b. paying up in full unissued Shares of the Company to</p> |

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| | be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or c. partly in the ways specified in sub-clause (a) and partly in that specified in sub-clause (b) |
| Title of Article | Article Number and contents |
| | (3) A security premium account, free reserves and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares. |
| Board to give effect | 229. The Board shall give effect to the resolution passed by the Company in pursuance of above Article. |
| Fractional certificates | 230. 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 and b. Generally do all acts and things required to give effect thereto. (2) The Board shall have full power: (1) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also (2) 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 thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares. 1. Any agreement made under such authority shall be effective and binding on all such Members. 2. That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit. |

ACCOUNTS

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| Title of Article | Article Number and Contents |
| Books to be kept | 231. (1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to: 1. all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place 2. all sales and purchases of goods by the Company 3. the assets and liabilities of the Company and 4. if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Government Provided that all or any of the books of account aforesaid may be kept |

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| | atsuchotherplaceinIndiaastheBoardofDirectorsmaydecideand when the Board of Directors so decides the Company shall withinseven |
| Title of Article | Article Number and Contents |
| | days of the decision file with the Registrar a notice in writing giving the full address of that otherplace. (2)Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transactions effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours. |
| Inspection by Members | 232. No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorised by the Board. |
| Statements of accounts to be furnished to General Meeting | 233. The Board of Directors shall from time to time in accordance with Sections 129, and 134 of the Act, cause to be prepared and laid before each Annual General Meeting the financialstatements of the Company for the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act. |
| Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 136 | 234. 1. TheCompanyshallcomplywiththerequirementsofSection136ofthe Act. 2. The copies of every financial statement, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours foraperiodof21daysbeforetheAnnualGeneralMeeting. Astatementcontainingthesalientfeaturesofsuchdocumentsinthe prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to everytrusteeoftheholdersofanyDebenturesissuedbytheCompany not less than 21 days before the date of the Meeting. |
| Accounts to be audited | 235. Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the Financial statements ascertained by one or more Auditor or Auditors. |
| Appointment of Auditors | 236. (1) Auditors shall be appointed, the remuneration shall be fixed and t h e i r qualifications, rights and duties regulated in accordance with Section 139 to 146 and 148 of the Act. |
| Accounts when audited and approved to be conclusive exceptas to errorsdiscovered | 237. Subject to provisions of the Act, Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered after the approval thereof. Whenever any sucherror is discovered, the account shall be corrected, and amendmenteffectedbytheDirectorsinpursuanceofthisArticle and the |

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| | provisions of the Act, shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive. |
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DOCUMENTS AND NOTICES

| Title of Article | Article Number and Contents |
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| To whom documents must be served or given | 238. Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company, PROVIDED that when the notice of the Meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company, a statement of material facts under the Articles need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the Members of the Company. |
| Members bound by documents or notices served on or given to previous holders | 239. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share. |
| Service of documents on the Company | 240. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office. |
| Authentication of documents and proceedings | 241. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorised officer of the Company and need not be under the Seal of the Company. |

REGISTERS AND DOCUMENTS

| Title of Article | Article Number and Contents |
|---|--|
| Registers and documents to be maintained by the Company | 242. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. |

| Title of Article | Article Number and Contents |
|-------------------------|---|
| Inspection of Registers | 243. The registers mentioned in the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof maybe required by any Member of the Company in the same manner to the same extent and on payment of the same fees as prescribed under the Act and the Rules therein. Copies of entries in the registers mentioned in the foregoing Article shall be furnished to the persons entitled to the same on such days and duringsuch business hours as may be consistent with the provisions of the Act inthat behalf as determined by the Company in General Meeting, being working days other than Saturdays. |

WINDING UP

| Title of Article | Article Number and Contents |
|---|--|
| Winding up of the company | 244. Subject to the applicable provisions of the Act and the Rules made thereunder: (a) 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. (b) 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. (c) 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. |
| Directors and others right to indemnity | 245. (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses. (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court. (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably. |

| Title of Article | Article Number and Contents |
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| Director, officer not responsible for acts of others | 246. Subject to the provisions of Section 197 of the Act no Director, director, managing director, whole-time director, manager, company secretary, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any monies, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty. |

SECURITY CLAUSE

| Title of Article | Article Number and Contents |
|---|---|
| Secrecy Clause | 247. Every Director/Manager, Secretary, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or any other person employed in the business of the Company shall, if so required by the Board of Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained. |
| No Member to enter the premises of the Company without permission | 248. No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose. |

GENERAL POWER

| Title of Article | Article Number and Contents |
|-------------------------|--|
| General Power | 249. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. |

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Red Herring Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus/Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at E-260-261 Mewar Industrial Area Madri Udaipur Rajasthan 313003 India and will also be available at the website of our Company accessed at <https://sahpolymers.com/investor-relations/> from date of filing the Red Herring Prospectus with RoC on working days from 10.00 a.m. to 5.00 p.m. until the Bid Closing Date.

Material Contracts

1. Issue Agreement dated April 21, 2022 between our Company and the BRLM;
2. Registrar Agreement dated April 11, 2022 between our Company and Registrar to the Issue;
3. Cash Escrow and Sponsor Bank Agreement dated December 20, 2022 entered into among our Company, the BRLM, the Syndicate Members, Banker(s) to the Issue and the Registrar to the Issue.
4. Syndicate Agreement dated December 20, 2022 entered into among the BRLM, members of the Syndicate, our Company and the Registrar to the Issue.
5. Underwriting Agreement dated [●] entered into among our Company and the Underwriter.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended until date.
2. Certificate of Incorporation dated April 20, 1992
3. Fresh certificate of Incorporation dated July 24, 1998 issued consequent to change in name of the Company from “Peacock Continental Limited” to “Sah Polymers Limited”.
4. Resolutions of the Board of Directors dated April 07, 2022 in relation to the Issue and other related matters;
5. Resolution of our Shareholders dated April 13, 2022 in relation to the Issue and other related matters;
6. Resolution of the Board of Directors and IPO Committee of our Company, dated April 21, 2022 approving the Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges
7. Resolution of our Shareholders dated March 11, 2020 and July 15, 2021 setting out terms and conditions for appointment of Asad Daud as Managing Director and Hakim Sadiq Ali Tidiwala as Whole-Time Director, respectively.
8. Report titled “Detailed Project Report of Sah Polymers Limited ” dated April 19, 2022 with the addendum to the Report dated November 23, 2022 prepared and certified by Keyur Shah & Co., Chartered Accountants
9. Copy of order dated October 21, 2021 issued by the Revenue Department, Government of Rajasthan in pursuant to conversion of usage of land from Agricultural purpose to Non-agricultural purpose.
10. Copy of Sale deed dated February 25, 2021 pursuant to purchase of land at Udaipur, Rajasthan
11. Copies of the annual reports of our Company for the financial years ended as on March 31, 2022, 2021 and 2020.
12. Statement of Possible Tax Benefits dated November 3, 2022 from the Statutory Auditors included in this Red Herring Prospectus.
13. Copy of Show Cause Notice dated EAD-5/MC/RM/29509/2021 dated October 22, 2021 issued by SEBI against the our Company along with adjudicating Order no Order/MC/RM/2021-22/14819-14829 dated 28.01.2022 passed by Adjudicating Officer.
14. Report of the peer reviewed Auditor M/s. H. R Jain & Co. dated November 3, 2022 on the Restated Standalone and Consolidated Financial Informations for three months ended on June 30, 2022 and the financial years ended as on March 31, 2022, 2021 and 2020 of our Company.
15. Consents of our Directors, Bankers to our Company, Statutory Auditor, Promoter, BRLM, Registrar to the Issue, the Syndicate Members, Banker(s) to the Issue/Escrow Bank, Public Issue Account Bank, Sponsor

Bank and Refund Bank, legal counsel, lenders to the Company (where such consent is required), Company Secretary and Compliance Officer of our Company, Key Managerial Personnel, Chief Financial Officer, Chief Executive Officer as referred to act, in their respective capacities.

16. Tripartite Agreement dated December 06, 2018 among our Company, NSDL and the Registrar to the Issue.
17. Tripartite Agreement dated August 20, 2021 among our Company, CDSL and the Registrar to the Issue.
18. Due diligence certificate to SEBI from the BRLM, dated April 21, 2022.
19. In-principle listing approvals dated July 29, 2022 and July 29, 2022 from BSE and NSE, respectively.
20. The Initial clarification Letter No. SEBI/WRO/MK/P/2022/000002067/1 dated May 13, 2022 issued by SEBI.
21. SEBI final observation letter Letter No. SEBI/WRO/MK/P/2022/55345 dated October 31, 2022
22. Board resolution dated July 31, 2021 adopting Materiality Policy.
23. Statutory Auditor's certificate dated December 13, 2022 certifying the utilization of loan for the purpose for which it was availed.
24. Statutory Auditor's certificate dated December 13, 2022 certifying the key performance indicators.
25. Independent valuation report dated January 04, 2022 certified by CA Eshank Shah, Banshi Jain and Associates, Chartered Accountants

Any of the contracts or documents mentioned in this Red Herring 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 with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Asad Daud
Managing Director

Place: Mumbai
Date: December 20,2022

DECLARATION

I, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Hakim Sadiq Ali Tidiwala
Whole time Director

Place: Udaipur

Date: December 20,2022

DECLARATION

I, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ramesh Chandra Soni
Non-executive Independent Director

Place: Udaipur

Date: December 20,2022

DECLARATION

I, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Nikhil Khanderia Raut
Non-executive Independent Director

Place: Mumbai

Date: December 20,2022

DECLARATION

I, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sanjay Suthar
Non-executive Independent Director

Place: Udaipur
Date: December 20,2022

DECLARATION

I, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Chetna
Non-executive Independent Director

Place: Delhi

Date: December 20,2022

DECLARATION

I, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Lalit Kumar Bolia
Chief Financial Officer

Place: Udaipur
Date: December 20,2022

DECLARATION

I, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Murtaza Ali Moti
Chief Executive Officer

Place: Udaipur
Date: December 20,2022