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**POLYSIL IRRIGATION SYSTEMS LIMITED**  
Corporate Identity Number: U17100GJ1985PLC127398

REGISTERED OFFICE		CORPORATE OFFICE	CONTACT PERSON	EMAIL
Survey No- 340/1, Beside Hystuff Steel, At Post Raniya, Taluka Savli, District Vadodara, - 391780, Gujarat, India.		NA	Neha Gupta, Company Secretary and Compliance Officer	<a href="mailto:secretarial@polysilirrigation.com">secretarial@polysilirrigation.com</a>
TELEPHONE / MOBILE NO.		WEBSITE		
026 6724 4271/2		<a href="https://polysilirrigation.com/">https://polysilirrigation.com/</a>		
THE PROMOTERS OF OUR COMPANY ARE BHARATKUMAR PATEL AND PRAFULBHAI RADADIA				
Type	Fresh Issue Size	OFS size (by no. of shares or by amount in Rs)	Total Offer Size	Eligibility
Fresh Issue and Offer for sale	Up to 14,44,000 Equity shares aggregating up to ₹ 779.76 Lakhs	Up to 17,84,000 Equity Shares aggregating up to ₹ 963.36Lakhs	Up to 32,28,000 Equity Shares aggregating up to ₹ 1743.12 Lakhs	THIS ISSUE IS BEING MADE IN TERMS OF REGULATION 229(2) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED
DETAILS OF OFFER FOR SALE BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS – SATISHKUMAR MANIYA, SUNILKUMAR SHAH AND RAMESHBHAI KAKADIYA				
NAME	TYPE	NUMBER OF SHARES OFFERED /AMOUNT (₹ IN LAKHS)	WEIGHTAGE AVERAGE COST OF ACQUISITION PER EQUITY SHARES (IN ₹)	
Satishkumar Maniya	Selling Shareholder	Up to 6,30,000 Equity Shares aggregating up to ₹ 340.20 Lakhs	NIL	
Sunilkumar Shah	Selling Shareholder	Up to 6,30,000 Equity Shares aggregating up to ₹ 340.20 Lakhs	NIL	
Rameshbhai Kakadiya	Selling Shareholder	Up to 5,24,00 Equity Shares aggregating up to ₹ 282.96 Lakhs	NIL	
RISK IN RELATION TO THE FIRST OFFER				
This being the first public Offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is 5.4 times of the face value of the Equity Shares. The Issue Price determined and justified by our Company and Other Selling Shareholders in consultation with the Lead Manager as stated in “Basis for Offer Price” on page 83 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.				
GENERAL RISKS				
Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India (“SEBI”) nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 23 of this Prospectus.				
COMPANY’S ABSOLUTE RESPONSIBILITY				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.				
LISTING				
The Equity Shares offered through this Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle approval letter dated January 05, 2024 from NSE Limited.				
LEAD MANAGER TO THE OFFER			REGISTRAR TO THE OFFER	
<b>FEDEX SECURITIES PRIVATE LIMITED</b> B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle - [East], Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 E-mail: <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> Website: <a href="http://www.fedsec.in">www.fedsec.in</a> Contact Person: Saipan Sanghvi SEBI Registration Number: INM000010163 Investor Grievance E-Mail: <a href="mailto:mb@fedsec.in">mb@fedsec.in</a>			<b>BIGSHARE SERVICES PRIVATE LIMITED</b> Office No. S6 - 2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri - [East], Mumbai - 400093, Maharashtra, India. Tel No: +91 22 6263 8200 Fax No: +91 22 6263 8299 E-mail Id: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> Contact Person: Babu Rapheal C SEBI Registration No: INR000001385	
ISSUE PROGRAMME				
ISSUE OPENS ON: Thursday, February 08, 2024			ISSUE CLOSES ON: Tuesday, February 13, 2024	



**POLYSIL IRRIGATION SYSTEMS LIMITED**

Our Company was originally incorporated as a private company in the name and style of "Silvassa Poly-Tex Industries (India) Private Limited" under the Companies Act, 1956 vide certificate of incorporation dated October 09, 1985 issued by the Registrar of Companies, Maharashtra. Subsequently, the name of our Company was changed to "Silvassa Pipes Private Limited" pursuant to the special resolution passed by the Shareholders of our Company at the extra-ordinary general meeting held on June 6, 1996. The Registrar of Companies, Maharashtra, Mumbai issued a fresh certificate of incorporation dated July 11, 1996, upon change of the name of the Company. Further, the name of our Company was changed to "Polysil Irrigation Systems Private Limited" pursuant to the special resolution passed by the Shareholders of our Company at the extra-ordinary ordinary general meeting held on November 8, 2010 and the Registrar of Companies, Maharashtra, Mumbai issued a fresh certificate of incorporation dated January 03, 2011, upon change of the name of the Company. Our Company was then converted into a public limited company pursuant to the special resolution passed by the Shareholders of our Company at the extra-ordinary ordinary general meeting held on December 13, 2022 and consequently upon conversion, the name of our Company was changed to "Polysil Irrigation Systems Limited" vide a fresh certificate of incorporation dated December 27, 2022 issued by the Registrar of Companies, Ahmedabad. For further details, please refer to chapter titled "History and Certain Corporate Matters" beginning on page 124 of this Prospectus.

**Registered Office:** Survey No- 340/1, Beside Hystuff Steel, At Post Raniya, Taluka Savli, District Vadodara, - 391780, Gujarat, India.

**Tel No. / Mob No:** 026 6724 4271/2; **Email:** [secretarial@polysilirrigation.com](mailto:secretarial@polysilirrigation.com) ; **Website:** <https://polysilirrigation.com/>

**Contact Person:** Neha Gupta, Company Secretary and Compliance Officer

**OUR PROMOTERS: BHARATKUMAR PATEL AND PRAFULBHAI RADADIA**

THE OFFER	
<p><b>INITIAL PUBLIC OFFER OF UPTO 32,28,000* EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF POLYSIL IRRIGATION SYSTEMS LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 54 PER EQUITY SHARE (THE "OFFER PRICE"), (INCLUDING A PREMIUM OF ₹ 44 PER EQUITY SHARE), AGGREGATING UPTO ₹ 1743.12 LAKHS ("THE OFFER"), COMPRISING A FRESH OFFER OF UP TO 14,44,000 EQUITY SHARES AGGREGATING UP TO ₹779.76 (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 17,84,000 EQUITY SHARES BY SATISHKUMAR MANIYA, SUNILKUMAR SHAH AND RAMESHBHAI KAKADIYA AGGREGATING UP TO ₹963.36 ("OFFERED SHARES") ("OFFER FOR SALE"), AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE 1,64,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- FOR CASH AT A PRICE OF ₹ 54 EACH AGGREGATING ₹ 88.56 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE OFFER LESS MARKET MAKER RESERVATION PORTION I.E. OFFER OF 30,64,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ 54 PER EQUITY SHARE, AGGREGATING TO ₹ 1654.56 LAKHS IS HERE IN AFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE 24.59% AND 23.34% RESPECTIVELY OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "TERMS OF THE OFFER" BEGINNING ON PAGE NO. 223 OF THIS PROSPECTUS.</b></p> <p><b>*SUBJECT TO FINALISATION OF BASIS OF ALLOTMENT</b></p>	
<p align="center"><b>THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS 5.4 TIMES OF THE FACE VALUE</b></p>	
<p>THIS ISSUE IS BEING MADE THROUGH FIXED PRICE PROCESS, IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED AND RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 233 OF THIS PROSPECTUS.</p>	
<p>All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, please refer to chapter titled "Issue Procedure" on page 233 of this Prospectus. A copy of the Prospectus will be filed with the Registrar of Companies in accordance with Section 26 of the Companies Act, 2013.</p>	
RISK IN RELATION TO THE FIRST OFFER	
<p>This being the first Public Offer of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹ 10/- per Equity Share and the Issue price is ₹ 54 per Equity Share and the Issue Price is 5.4 times of the face value. The Issue Price as determined by our Company and Other Selling Shareholder in consultation with the Lead Manager as stated in the chapter titled on "Basis for Offer Price" beginning on page 83 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company or regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the chapter titled "Risk Factors" beginning on page 23 of this Prospectus.</p>	
COMPANY'S ABSOLUTE RESPONSIBILITY	
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regards to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>	
LISTING	
<p>The Equity Shares offered through this Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle Approval letter dated January 05, 2024 from NSE EMERGE for using its name in this Offer Document for listing of our shares on the NSE EMERGE. For the purpose of this Offer, the Designated Stock Exchange will be NSE Limited.</p>	
BOOK RUNNING LEAD MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
	
<p><b>FEDEX SECURITIES PRIVATE LIMITED</b>            B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle - [East],            Mumbai - 400 057, Maharashtra, India  <b>Tel No.:</b> +91 81049 85249  <b>E-mail:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a>  <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a>  <b>Contact Person:</b> Saipan Sanghvi  <b>SEBI Registration Number:</b> INM000010163  <b>Investor Grievance E-Mail:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a></p>	<p><b>BIGSHARE SERVICES PRIVATE LIMITED</b>            Office No. S6 - 2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre,            Mahakali Caves Road, Andheri - [East], Mumbai - 400093, Maharashtra, India.  <b>Tel No:</b> +91 22 6263 8200  <b>Fax No:</b> +91 22 6263 8299  <b>E-mail Id:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>  <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>  <b>Contact Person:</b> Babu Rapheal C  <b>SEBI Registration No:</b> INR000001385</p>
ISSUE PROGRAMME	
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## SECTION - I – GENERAL

### DEFINITION AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “**Industry Overview**”, “**Statement of Tax Benefits**”, “**Basis for the Issue Price**”, “**Restated Financial Statement**”, “**Outstanding Litigations and Material Developments**”, “**Key Industry Regulations and Policies**” and “**Main Provisions of Articles of Association**” on pages 94, 89,83, 148, 118 and 260 respectively, of this Prospectus shall have the meanings ascribed to such terms in the respective sections.

#### CONVENTIONAL OR GENERAL TERMS

Term	Description
“Polysil Irrigation Systems Limited”, “POLYSIL”, “We” or “us” or “Our Company” or the “Issuer”	Unless the context otherwise indicates or implies refers to Polysil Irrigation Systems Limited, a public limited company incorporated under the Companies Act, 1956, having its Registered office at Survey No- 340/1, Beside Hystuff Steel, At Post Raniya, Taluka Savli, District Vadodara, Gujarat 391780 India
“you” or “your”	Prospective investors in this Offer.

#### CORPORATE RELATED TERMS

Term	Description
AOA / Articles / Articles of Association	The articles of association of our Company, as amended from time to time.
Audit Committee	The Audit Committee of our Board, as described in the chapter titled “ <b>Our Management</b> ” beginning on page 133 of this Prospectus.
Auditors / Statutory Auditors / Peer Review Auditor	The statutory auditor of our Company, being M/s Ratan Chandak & Co., Chartered Accountants
Board / Board of Directors / Board	The Board of Directors of our Company, or a duly constituted committee thereof. For details, see “ <b>Our Management</b> ” beginning on page 133 of this Prospectus
Chairperson / Chairman	The chairperson / chairman of the Board of Directors of our Company.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Neha Gupta
Chief Financial Officer / CFO	The Chief Financial Officer of our Company, being Aman Malpani.
Corporate Identification Number / CIN	U17100GJ1985PLC127398
Director(s)	The director(s) on the Board of our Company as described in “ <b>Our Management</b> ” beginning on page 133 of this Prospectus.
“Equity Shareholders” or “Shareholders”	Persons /entities holding Equity Shares of our Company.
Executive Directors	The Managing Director, Executive Directors, And Whole-Time Directors of our Company.
Group Companies	Companies with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “ <b>Our Group Companies</b> ” on page 146 of this Prospectus.
Independent Director	Independent directors on the Board, and who are eligible to be appointed as an independent director under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, please refer to chapter titled “ <b>Our Management</b> ” on page 133 of this Prospectus.
ISIN	International Securities Identification Number is INE517M01028.
Key Managerial Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer “ <b>Our Management</b> ” on page 126 of this Prospectus.
Managing Director / MD/CEO	The Managing Director and CEO of our Company, Bharatkumar Patel. For details, please refer to the chapter titled “ <b>Our Management</b> ” beginning on page 133 of this Prospectus.
Market Maker	The Market Maker of our Company being Market Hub Stock Broking Private Limited

Term	Description
Materiality Policy	The policy adopted by our Board on March 20, 2023 for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Nomination & Remuneration Committee	The nomination and remuneration committee of our Board, as described in the chapter titled <b>“Our Management”</b> on page 133 of this Prospectus.
Non-executive Director(s)	The non-executive director(s) of our Company
“Promoter(s)”	The promoters of our Company, being Bharatkumar Patel and Prafulbhai Radadia, as disclosed in <b>“Our Promoter and Promoter Group”</b> beginning on page 147 of this Prospectus.
“Promoter Group”	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of SEBI ICDR Regulations as disclosed in the chapter titled <b>“Our Promoter and Promoter Group”</b> on page 139 of this Prospectus.
Registered Office	The registered office of our Company, situated at survey No- 340/1, Beside Hystuff Steel, at Post Raniya, Taluka Savli, District Vadodara, Gujarat 391780 India.
Registrar of Companies / ROC / RoC	Registrar of Companies, Ahmedabad situated at ROC Bhavan, Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad 380013, Gujarat
Restated Financial Statements	The Restated Financial Statements of our Company for the period ended August 15, 2023, Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021, which comprises of the restated balance sheet, restated statement of profit and loss and the restated cash flow statement, together with the annexures and notes thereto disclosed in the chapter titled <b>“Restated Financial Statements”</b> beginning on page 148 of this Prospectus.
Selling Shareholders	Satishkumar Maniya, Sunilkumar Shah and Rameshbhai Kakadiya
Senior Management	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, described in <b>“Our Management”</b> on page 133
Shareholder Agreement	Shareholders’ agreement dated September 10, 2020, executed between Bharatkumar Patel, Dilipkumar Dholaria, Dhirajbhai Munjapara, Nareshkumar Virja, Prafulbhai Radadia, Jasmin Bharvaliya, Vinodbhai Dobariya, Varsha Vasiyani and the erstwhile shareholders namely, Arun Goel, Kusum Goel, Saurabh Goel, Madhav Goel, Laxmi Jain, Rina Jain, Sushma Jain and our Company
SHA Agreement	Shareholder agreement dated July 13, 2022 executed our Company and Bharatkumar Patel, Payal Jain, Nareshkumar Virja, Prafulbhai Radadia, Linaben Katrodiya, Bhagwanbhai Katrodiya, Ashaben Katrodiya, Rashmita Katrodiya and Satiskumar Maniya, Rameshbhai Kakadiya, Sunilkumar Shah and amended on August 10, 2023
SPA	Share purchase agreement dated July 13, 2022 executed between Satishkumar Maniya, Rameshbhai Kakadiya, Sunilkumar Shah and Dilipkumar Dholaria, Dhirajbhai Munjapara, Jasmin Barvaliya, Bhanubhai Kunjadiya, Rajeshkumar Munjpara, Sandip Raiyani and our Company and amended on August 10, 2023
Shareholders/ Members	Holders of equity shares of our Company from time to time
Stakeholders’ Relationship Committee	The Stakeholders Relationship Committee of the Board of Directors constituted as the Company’s Stakeholders’ Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled <b>“Our Management”</b> on page 133 of this Prospectus.
Whole time Director(s)	Whole-time director(s) of our Company

## ISSUE RELATED TERMS

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under SEBI ICDR Regulations and appended to the Application Forms.
Acknowledgement Slip	The acknowledgement slips or document issued by the Designated Intermediary to an applicant as proof of having accepted the Application Form.
Addendum	The addendum dated December 30, 2023 to the Draft Prospectus
Allot / Allotment / Allotted / Allotment of Equity Shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Offer to the successful applicants, including transfer of the Equity Shares pursuant to the Offer for Sale to the successful applicants
Allottee(s)	A successful Applicant to whom the Equity Shares are being allotted.



Term	Description
Allotment Advice	Note or advice or intimation of Allotment sent to each successful applicant who have been or are to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Allotment Date	Date on which the Allotment is made.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus. All the applicants should make application through ASBA only.
Application Lot	2000 Equity Shares and in multiples thereof.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Prospectus.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by applicants to make an application and authorize an SCSB to block the application Amount in the ASBA Account.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by applicant for blocking the application Amount mentioned in the ASBA Form.
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicant which will be considered as the application for Allotment in terms of the Prospectus.
Bankers to the Company	HDFC Bank Limited and Union Bank of India
Banker to the Offer / Refund Banker / Public Offer Bank	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Public Offer Account and Refund Account will be opened and in this case being ICICI Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Offer, described in “ <i>Offer Procedure</i> ” on page 233 of this Prospectus.
Business Day	Any day on which commercial banks are open for the business.
CAN /Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number of the Applicant’s Beneficiary Account.
Collection Centers	Broker Centers notified by National Stock Exchange of India Limited where Applicants can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers, are available on the website EMERGE Platform of the National Stock Exchange of India Limited.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations (in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI) as per the list available on the website of the Stock Exchange.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Applicants with the Registrar to the Offer and EMERGE Platform of National Stock Exchange of India Limited and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Covid – 19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation.
Demographic Details	The demographic details of the Applicant such as their address, PAN, occupation, bank account details and UPI ID (as applicable).
Depositories	National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depository Participant/DP	A depository participant registered with SEBI under the Depositories Act.
Designated CDP Locations	Such centres of the CDPs where applicant can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of National Stock Exchange of India Limited.
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account(s) to the Public Offer Account(s) or the Refund Account(s), as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Applicants using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account(s) or the Refund Account(s), as the case may be, in terms of this Draft Prospectus and the Prospectus after finalization of the

Term	Description
	Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Offer.
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Offer.
Designated Market Maker	Market Hub Stock Broking Private Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated RTA Locations	Such locations of the RTAs where applicant can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the National Stock Exchange of India Limited.
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the ASBA Forms used by the applicant, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>
Designated Stock Exchange	EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”)
Draft Prospectus	The Draft Prospectus dated August 29, 2023 issued in accordance with the SEBI ICDR Regulations.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Draft Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Offer and in relation to whom the Draft Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations.
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Applicant Amount.
Escrow Agreement	An agreement to be entered among our Company, the Registrar to the Offer, the Escrow Collection Bank(s), Refund Bank(s) and the Lead Manager for the collection of Application Amounts and where applicable, for remitting refunds, on the terms and conditions thereof.
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as Bankers to the Offer and with whom the Escrow Accounts will be opened, in this case being ICICI Bank Limited.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First Applicant	Applicant whose name appears first in the Application Form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under SEBI FPI Regulations.
Fresh Issue	The fresh issue component of the Offer comprising of an issuance by our Company of up to 14,44,000 Equity Shares at ₹ 54 per Equity Share (including a premium of ₹ 44 per Equity Share) aggregating up to ₹ 779.76 lakhs.
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, notified by SEBI, suitably modified and included in the chapter titled “Offer Procedure” beginning on page 233 of this Prospectus. The General Information Document shall be available on the websites of the (NSE EMERGE) and the LM
Lead Manager/ LM	The Lead Manager to the Issue namely, Fedex Securities Private Limited.
Listing Agreement	The Listing Agreement to be signed between our Company and EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”)
KPI	Key Performance Indicator
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.

Term	Description
Market Making Agreement	The Market Making Agreement dated January 11, 2024 between our Company, the Lead Manager and Market Maker.
Market Maker Reservation Portion	The reserved portion of 1,64,000 Equity Shares of face value of ₹. 10.00/- each fully paid-up for cash at a price of ₹ 54/- per Equity Share (including a premium of ₹ 44 per Equity Share) aggregating to ₹ 88.56 Lakhs for the Market Maker in this Issue.
MSME	Micro Small and Medium Enterprises.
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
NSE	National Stock Exchange of India Limited
Net Offer	The Offer (excluding the Market Maker Reservation Portion) of 30,64,000 Equity Shares of face value ₹10.00/- each fully paid-up of our Company for cash at a price of ₹. 54/- per Equity Share (including a premium of ₹ 44 per Equity Share) aggregating up to ₹ 1654.56 Lakhs.
Net Proceeds	The proceeds from the Fresh Issue less the offer related expenses applicable to the Fresh Issue. For further details, please refer to chapter titled “ <i>Objects of the Issue</i> ” on page 76 of this Prospectus.
Non-Institutional Applicants / Non-Institutional Investor / NIB/ NII	All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
Offer / Public Offer / Offer Size/ IPO	The initial public offering of the Equity Shares of our Company by way of the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated June 29, 2023 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer Closing Date	The date on which the Offer closes for subscription.
Offer for Sale	The offer for sale component of the Offer, comprising of an offer for sale of 17,84,000 Equity Shares at ₹ 54 per Equity Share (including a premium of ₹ 44 per Equity Share) aggregating to ₹ 963.36 lakhs, comprising up to upto 6,30,000 Equity Shares by Satishkumar Maniya, up to 6,30,000 Equity Shares by Sunilkumar Shah and up to 5,24,000 equity shares by Rameshbhai Kakadiya
Offer Opening Date	The date on which the Offer opens for subscription.
Offer Period	The period between the Offer Opening Date and the Offer Closing Date (inclusive of such date and the Offer Opening Date) during which prospective Applicants can submit their Application Forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of Applicants. Our Company, in consultation with the Lead Manager, may decide to close applications by QIBs one (1) day prior to the Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Offer Opening Date was published.
Offer Price	₹ 54 per Equity Share (Including Premium of ₹ 44 per share)
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see “ <i>Objects of the Offer</i> ” beginning on page 76 of this Prospectus.
Offered Shares	The Equity Shares being offered by the Selling Shareholders as part of the Offer for Sale comprising of an aggregate of up to 17,84,000 Equity Shares divided into up to 6,30,000 Equity Shares by Satishkumar Maniya, up to 6,30,000 Equity Shares by Sunilkumar Shah and up to 5,24,000 equity shares by Rameshbhai Kakadiya
Overseas Corporate Body/ OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Offer.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Offer opening and Closing date and other information.



Term	Description
Public Offer Account	The account to be opened with the Banker to the Issue under section 40 of Companies Act, 2013 to received monies from the ASBA Accounts.
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations.
Refund Account	Account to which Application monies are to be refunded to the Applicants
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable.
Registered Brokers	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of BSE Limited having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012.
Registrar Agreement	The agreement dated June 29, 2023 entered between our Company and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar pertaining to the Offer.
Registrar and Share Transfer Agents or RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar to the Offer/Registrar	Registrar to the Offer being Bigshare Services Private Limited.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Revision Form	The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application Forms during the Offer Period and withdraw their Application Forms until Offer Closing Date.
SME	Small and medium sized enterprises.
Self-Certified Syndicate Bank(s) / SCSBs	<p>The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>, or such other website as may be prescribed by SEBI from time to time</p> <p>In relation to Bids (other than Bids by Anchor Investor) 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 (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>) and updated 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 <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> as updated from time to time. 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, UPI Applicants Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>) and (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>) respectively, as updated from time to time.</p>
Sponsor Bank	Sponsor Bank being ICICI Bank Limited being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIIs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.

Term	Description
Specified Locations	Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time.
Syndicate Member	Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter.
TRS / Transaction Registration Slip	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form.
Underwriters	Fedex Securities Private Limited and Pure Broking Private Limited
Underwriting Agreement	The Agreement dated January 23, 2024 entered between the Underwriters and our Company.
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Bidder	Collectively, individual investors applying as (i) Retail Individual Applicants, in the Retail Portion, and (ii) Non-Institutional Applicants with an application size of up to ₹500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/ dated March 16, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard
UPI ID	ID Created on the UPI for single-window mobile payment system developed by NPCI.
UPI PIN	Password to authenticate UPI transaction.
UPI Mandate Request	A request (intimating the RIIs by way of a notification on the UPI application and by way of a SMS directing the RIIs to such UPI mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time.
UPI Mechanism	The bidding mechanism that may be used by RIIs in accordance with the UPI Circulars to make an ASBA Bid in the Issue.
U.S Securities Act	U.S Securities Act of 1933, as amended.
Wilful Defaulter or fraudulent Borrower	An entity or a person categorized as a Wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (III) of the SEBI ICDR Regulations.
Working Days	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) Bid/Offer Period, “Working Day” shall mean all days, excluding all

Term	Description
	Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

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

Term	Description
APEDA	Agricultural and Processed Food Products Export Development Authority
AI	Artificial Intelligence
AIBP	Accelerated Irrigation Benefit Programme
BGREI	Bringing Green Revolution to Eastern India
BOT	Build-Operate-Transfer
CAZRI	Central Arid Zone Research Institute
CCFI	Crop Care Federation of India
CCRI	Central Citrus Research Institute
CENTEGRO	Center for Environment and Agriculture
CAD	Current Account Deficit
CPI	Consumer Price Index
CEPA	India-UAE Comprehensive Partnership Agreement
DAC	Department of Agriculture and Cooperation
DoLR	Department of Land Resources
DPA	Deendayal Port Authority
FTA	Free Trade Agreements
GIS	Geographic Information Systems
GHP	Good Hygienic Practices
GMP	Good Manufacturing Practices
GDP	Gross domestic product
HACCP	Hazard Analysis and Critical Control Points
HFI	(High-Frequency Indicators)
ICAR	Indian Council of Agricultural Research
ISSR	Indian Institute of Spices Research
IWMP	Integrated Watershed Management Programme
MFP	Mega Food Parks
MOFPI	Ministry of Food Processing Industries
MoWR, RD&GR	Ministry of Water Resources, River Development & Ganga Rejuvenation
MSP	Minimum Support Price
MoSPI	Ministry of Statistics & Programme Implementation
NABARD	National Bank for Agriculture and Rural Development
NAM	National Agriculture Market
NSO	National Statistical Office
NaBFID	National Bank for Financing Infrastructure and Development
OFWM	On Farm Water Management
PLI	Production Linked Incentive
PACS	Primary Agricultural Credit Society
PLISFPI	Production-Linked Incentive Scheme for Food Processing Industry
PMFME	Pradhan Mantri Formalisation of Micro food processing Enterprises
PMKSY	Pradhan Mantri Krishi Sinchai Yojana
PM-AASHA	Pradhan Mantri Annadata Aay Sanrakshana Abhiyan
SAMPADA	Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters
TQM	Total Quality Management

#### CONVENTIONAL TERMS & ABBREVIATIONS

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations

Term	Description
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Bn	Billion
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2016, as amended
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CGST	Central GST
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
COPRA	The Consumer Protection Act, 1986
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from October 15, 2020 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Contract Act	The Indian Contract Act, 1872
CSR	Corporate Social Responsibility
CY	Calendar Year
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP	Depository Participant
DP ID	Depository Participant's identity number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Electricity Act	The Electricity Act, 2003
EPFO	Employees' Provident Fund Organization
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	The Employees' State Insurance Act, 1948
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEE	Foreign Exchange Earnings
FEMA Act/ FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal Year / FY	Unless stated otherwise, the period of twelve (12) months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
Fixed Asset Turnover	Fixed Asset Turnover is calculated as revenue from operations divided by average fixed assets
FMCG	Fast-moving consumer goods
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product

Term	Description
GIR Number	General Index Registry Number
GoI/Government	Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST Act	The Central Goods and Services Tax Act, 2017
GST	Goods and Services Tax
GSTIN	GST Identification Number
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
IBEF	India Brand Equity Foundation
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IEC	Import Export Code
IEM	Industrial Entrepreneurs Memorandum
IFRS	International Financial Reporting Standards
Rs. / Rupees / INR / Rs. / ₹	Indian Rupees
IGST	Integrated GST
IT Act	Income-tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
Ind AS 24	Indian Accounting Standard 24, "Related Party Disclosures", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
KMP	Key Managerial Personnel
Ltd.	Limited
LMs	Lead Managers
IT Rules	Income Tax Rules, 1962
Kms	Kilometres
LC	Letter of Credit
LIBOR	London Interbank Offered Rate
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of funds-based lending rate
Mn	Million
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996
MoU	Memorandum of Understanding
N.A. / NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NSE EMERGE	EMERGE Platform of National Stock Exchange of India Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number



Term	Description
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	Reserve Bank of India
RONW	Return on Net Worth
RoCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEZ	Special Economic Zones
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI
SEBI	The Securities and Exchange Board of India constituted under SEBI Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI Takeover Regulations/ SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Sq. metres	Square Metres
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TPA	Tonnes Per Annum
VAT	Value Added Tax
U.S. Securities Act	U.S. Securities Act of 1933, as amended
U.S. or USA or United States	United States of America including its territories and possessions, any State of the United States, and the District of Columbia
U.S. or USA or United States	United States of America
USD or US\$	United States Dollars
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be
WCTL	Working Capital Term Loan
w.e.f.	With effect from
WEO	World Economic Outlook
WHO	World Health Organization
YoY	Year on Year

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “propose”, “project”, “seek”, “will”, “will achieve”, “will continue”, “will likely”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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

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

- Failure to successfully procure raw materials in a timely manner.
- The Micro Irrigation Industry is highly dependent on subsidy policy by the central & state government.
- Demand for our product is seasonal and largely depends on the farm produce and subsidy cycle.
- Our Company requires significant amounts of working capital for a continued growth.
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Failure to obtain, maintain or renew statutory and regulatory licenses, permits and approvals required to operate our business both in India and abroad;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects;
- Our failure to keep pace with rapid changes in technology;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business; and
- The occurrence of natural disasters or calamities.

For further discussion of factors that could cause the actual results to differ from the expectations, see the chapter titled “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 23, 102 and 192 of this Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Prospectus and are not a guarantee of future performance.

These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the Directors, the Lead Manager, Selling Shareholders or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company, the Directors and Selling Shareholders will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange. The Selling Shareholders shall ensure that it will keep the Company and LM informed of all material developments pertaining to its respective portion of the Equity Shares under the Offer for Sale and themselves, as Selling Shareholders from the date of the Prospectus until receipt of final listing and trading approvals by the Stock Exchange for this Offer, that may be material from the context of the Offer.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references in this Prospectus to 'India' are to the Republic of India and its territories and possessions and all references herein to the 'Government', 'Indian Government', 'GoI', 'Central Government' or the 'State Government' are to the GoI, central or state, as applicable.

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

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

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

In this Prospectus, the terms "we", "us", "our", unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, if any.

### Financial Data

Unless stated otherwise, the financial data in the Prospectus is derived from the Restated financial statements of our Company for the period ended August 15, 2023, Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP and Guidance Note on "Reports in Company Prospectus", as amended issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the chapter titled "**Restated Financial Statements**" beginning on page 148 of this Prospectus. Our Restated Financial Statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI ICDR Regulations.

Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year.

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

Unless otherwise indicated, any percentage amounts, as set forth in the chapter / chapters titled "**Risk Factors**", "**Business Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on page 23, 102 and 192, respectively, of the Draft Prospectus and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

### Currency and units of presentation

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

➤ 'Rupees' or '₹' or 'Rs.' Or 'INR' or "₹" are to Indian rupees, the official currency of the Republic of India.

'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency.

Our Company has presented certain numerical information in this Prospectus in "Lakhs" units. One lakh represents 1,00,000. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein 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. However, where any figures that may have been sourced from third party industry sources are expressed in denominations other than millions in their respective sources, such figures appear in this Prospectus expressed in such denominations as provided in such respective sources.

All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten lakhs and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'

### Industry and Market Data

Unless otherwise stated, Industry and Market data used throughout this Prospectus has been obtained from publicly available industry publications and Government data.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company

believes that industry data used in the Prospectus is reliable, it has not been independently verified by the Lead Manager or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. 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 and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “**Risk Factors**” beginning on page 23. Accordingly, investment decisions should not be based solely on such information.

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

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the chapter titled “**Risk Factors**” beginning on page 23 of this Prospectus. Accordingly, investment decisions should not be based on such information.

### **Exchange Rates**

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

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

Currency#	As on August 15, 2023*	As on March 31, 2023 <sup>(1)</sup>	As on March 31, 2022 <sup>(1)</sup>	As on March 31, 2021 <sup>(1)</sup>
1 USD	NA	82.22	75.81	73.50

\*Non-trading day

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

<sup>(1)</sup> All figures are rounded up to two decimals

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

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in “offshore transactions”, as defined in, and in reliance on Regulation S.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

## SUMMARY OF OFFER DOCUMENT

### SUMMARY OF BUSINESS

Incorporated in 1985, our Company is a fully integrated player within the drip irrigation and sprinkler irrigation sectors, with presence in micro irrigation industry. Our products are reckoned to meet high quality standards and our brand is associated with providing value-based irrigation solutions to our end customers. Our Company is engaged in manufacturing and sale of HDPE pipes, fittings and micro irrigation systems, such as drip irrigation system and sprinkler irrigation system, its components, accessories and allied products.

For more details, please refer chapter titled “*Business Overview*” on page 102 of this Prospectus.

### SUMMARY OF INDUSTRY

Micro irrigation system contributes around 18-20% of the total irrigation, consisting of both drip irrigation and sprinkler irrigation systems. States like Karnataka, Gujrat, Andhra Pradesh, Rajasthan, Maharashtra, and Haryana are some major states utilizing micro-irrigation systems attributed to the large cultivable area and area under irrigation. The Indian micro-irrigation market is highly competitive, with large and small-scale drip and sprinkler irrigation equipment producers and marketers across numerous states in India.

For more details, please refer chapter titled “*Industry Overview*” on page 94 of this Prospectus.

### PROMOTERS

The Promoters of our Company are Bharatkumar Patel and Prafulbhai Radadia

### OFFER SIZE

The following table summarizes the details of the Offer. For further details, please refer chapter titled “*The Offer*” and “*Offer Structure*” on pages 48 and 231, respectively of this Prospectus.

<b>Offer <sup>(1)</sup></b>	Up to 32,28,000 Equity Shares for cash at price of ₹ 54 per Equity Share (including a premium of 44 per Equity Share), aggregating up to ₹ 1743.12 Lakhs
<b>of which</b>	
<b>i) Fresh Issue <sup>(1)</sup></b>	Up to 14,44,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ 54/- per Equity Share (including premium of ₹ 44/- per share) aggregating to ₹ 779.76 Lakhs
<b>ii) Offer for sale <sup>(2)</sup></b>	Up to 17,84,000 Equity Shares of ₹10/- each for cash at a price of ₹ 54 per Equity shares aggregating up to ₹ 963.36 Lakhs being offered by the Selling Shareholders as part of the Offer for Sale comprising of an aggregate of up to 17,84,000 Equity Shares divided into up to 6,30,000 Equity Shares by Satishkumar Maniya, up to 6,30,000 Equity Shares by Sunilkumar Shah and up to 5,24,000 Equity Shares by Rameshbhai Kakadiya

(1) The Offer has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 24, 2023 and approved by the shareholders of our Company vide a special resolution at the Extra Ordinary General Meeting held on August 17, 2023 pursuant to section 62(1)(c) of the Companies Act.

2) Each of the Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares are eligible for being offered for sale in terms of the SEBI ICDR Regulations. Each Selling Shareholders has, severally and not jointly, consented for the sale of their respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “*Other Regulatory and Statutory Disclosures – Authority for the Offer*” on page 213 of this Prospectus.

The Offer shall constitute 28.46% of the post Offer paid up Equity Share capital of our Company.

### OBJECTS OF THE ISSUE

This Offer comprises of Fresh Issue of up to 14,44,000 Equity Shares by our Company aggregating to ₹ 779.76 Lakhs and an Offer for Sale of up to 17,84,000 Equity Shares by the Selling Shareholders.

Our Company will not receive any proceeds received from the Offer for Sale by the Selling Shareholders. However, except for the listing fees which shall be solely borne by our Company, all offer expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale.

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

(₹ in Lakhs)

Particulars	Estimated Amount
Funding our working capital requirements	500.00



General corporate purposes <sup>#</sup>	105.45
<b>Net Proceeds<sup>#</sup></b>	<b>605.45</b>

*#To be finalized upon determination of Offer Price and will be updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

For further details, see “*Objects of the Offer*” on page 76 of this Prospectus.

#### **AGGREGATE PRE-OFFER AND POST-OFFER SHAREHOLDING OF PROMOTERS, PROMOTER GROUP AND SELLING SHAREHOLDERS AS A PERCENTAGE OF THE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY**

The aggregate pre-Offer shareholding of our Promoters, the members of our Promoter Group, and the Selling Shareholders, as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

##### **Promoter and Promoter Group**

Particulars	Pre-Offer Equity Share capital		Number of Equity Shares Offered	Post-Offer Equity Share capital <sup>^</sup>	
	Number of Shares	Percentage (%) holding		Number of Shares	Percentage (%) holding
<b>Promoters (A)</b>					
Bharatkumar Patel	28,66,500	28.96%		28,66,500	25.28%
Prafulbhai Radadia	4,77,750	4.83%	-	4,77,750	4.21%
<b>Total (A)</b>	<b>33,44,250</b>	<b>33.79%</b>	-	<b>33,44,250</b>	<b>29.49%</b>
<b>Promoter Group (B)</b>					
Ashaben Katrodiya	1,91,100	1.93%	-	1,91,100	1.69%
<b>Total (B)</b>	<b>1,91,100</b>	<b>1.93%</b>	-	<b>1,91,100</b>	<b>1.69%</b>
<b>Total (A+B)</b>	<b>35,35,350</b>	<b>35.72%</b>		<b>35,35,350</b>	<b>31.17%</b>
<b>Selling Shareholders</b>					
Satishkumar Maniya	12,73,650	12.87%	6,30,000	6,43,650	5.68%
Sunilkumar Shah	12,73,860	12.87%	6,30,000	6,43,860	5.68%
Rameshbhai Kakadiya	8,45,070	8.54%	5,24,000	3,45,070	3.04%
<b>Total</b>	<b>33,92,580</b>	<b>34.52%</b>	<b>17,84,000</b>	<b>16,32,580</b>	<b>14.40%</b>

#### **SUMMARY OF RESTATED FINANCIAL INFORMATION**

The following information has been derived from our Restated Financial Statement -

Particulars	For the period ended on August 15, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Share Capital (₹ in Lakhs)	989.71	989.71	45.50	45.50
Networth (₹ in Lakhs)	1,646.02	1,535.71	1,372.06	1,338.31
Total Revenue (₹ in Lakhs) <sup>(1)</sup>	1,019.74	4,392.49	3,767.21	5,471.58
Profit after Tax (₹ in Lakhs)	110.31	113.53	33.75	64.81
Earnings per share (Basic & diluted) (₹) <sup>(2)</sup>	1.11	1.15	0.34	0.66
Net Asset Value per Equity Share (post bonus) (₹) <sup>(3)</sup>	16.55	15.53	13.88	13.53
Total borrowings (₹ in Lakhs) <sup>(4)</sup>	1,566.17	1547.25	1494.96	1104.83

(1) Total revenue includes other income

(2) Earnings per Equity Share (Basic and Diluted) = Restated profit for the period/year attributable to the equity holders of our Company/Weighted average number of equity shares outstanding during the period/year. The weighted average number of Equity Shares outstanding during the year is adjusted for sub-division of Equity Shares and bonus issue.

Pursuant to a resolution Shareholders meeting dated December 13, 2022, our Company approved to split each Equity Share having face value of Rs. 100/- each into Equity Shares of ₹ 10/- each. Accordingly, the issued, subscribed and paid-up capital of our Company was subdivided from ₹ 70,00,000 consisting of 70,000 Equity Shares of face value of ₹ 100.00/- each to ₹ 70,00,000 consisting of

7,00,000 Equity Shares of face value of ₹ 10.00/- each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of earnings per share as per the requirement.

(3) Net Asset Value per Equity Share = Net worth as per the Restated Financial Statements/ number of Equity Shares outstanding as at the end of the year/period. The weighted average number of Equity Shares outstanding during the year is adjusted for sub-division of Equity Shares and bonus issue.

Pursuant to a resolution Shareholders meeting dated December 13, 2022, our Company approved to split each Equity Share having face value of Rs. 100/- each into Equity Shares of ₹ 10/- each. Accordingly, the issued, subscribed and paid-up capital of our Company was subdivided from ₹ 70,00,000 consisting of 70,000 Equity Shares of face value of ₹ 100.00/- each to ₹ 70,00,000 consisting of 7,00,000 Equity Shares of face value of ₹ 10.00/- each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of earnings per share as per the requirement.

(4) Total borrowings are computed as current borrowings plus non-current borrowings

## QUALIFICATIONS OF AUDITORS

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

## SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

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

Name of the Cases	Number of cases	Total amount involved (₹ in Lakhs)
<b>Against our Company</b>		
Tax	3	14.79
TDS	11	8.02
Civil	Nil	Nil
Criminal	3	8.25
Regulatory Authority	1	Nil
<b>By our Company</b>		
Tax	Nil	Nil
Civil	Nil	Nil
Criminal	Nil	Nil
Regulatory Authority	Nil	Nil
<b>Against our Promoter</b>		
Tax	6	13.89
Civil	Nil	Nil
Criminal	2	8.25
Regulatory Authority	1	Nil
<b>By our Promoter</b>		
Tax	Nil	Nil
Civil	Nil	Nil
Criminal	Nil	Nil
Regulatory Authority	Nil	Nil
<b>Against our Directors</b>		
Tax	7	14.49
Civil	Nil	Nil
Criminal	3	8.25
Regulatory Authority	1	NIL
<b>By our Directors</b>		
Tax	Nil	Nil
Civil	Nil	Nil
Criminal	Nil	Nil
Regulatory Authority	Nil	Nil
<b>By our Group Company</b>		
Tax	Nil	Nil
Civil	Nil	Nil
Criminal	Nil	Nil
Regulatory Authority	Nil	Nil
<b>Against Group Company</b>		
Tax	Nil	Nil
Civil	Nil	Nil

Name of the Cases	Number of cases	Total amount involved (₹ in Lakhs)
Criminal	Nil	Nil
Regulatory Authority	Nil	Nil

For further details, please refer chapter titled “*Outstanding Litigations & Material Developments*” beginning on page 203 of this Prospectus.

## RISK FACTORS

Specific attention of the Investors is invited to chapter titled “*Risk Factors*” on page 23 of this Prospectus to have an informed view before making an investment decision.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

The following table sets forth our contingent liabilities for the period ended August 15, 2023, financial year March 31, 2023, March 31, 2022 and March 31, 2021 as per Restated Financial Statement:

(₹ in Lakhs)

Particulars	For the period ended on August 15, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Capital Commitments				
Estimated amount of contracts to be executed on Capital Account and not provided for (net of advance of Rs. 50 Lakhs)	-	-	-	135.00
<b>Total</b>	-	-	-	<b>135.00</b>

For further details of our contingent liabilities, see “*Restated Financial Statements -Annexure 33*” on page 153 of this Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

### Related Party Transactions

(₹ in Lakhs)

Particulars	As on August 15, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
<b>Capital Advances</b>				
- Tufropes Private Limited	-	-	162.40	50.00
<b>Acquisition of Capital Assets</b>				
- Tufropes Private Limited	-	-	212.40	-
<b>Purchases</b>				
- Tufropes Private Limited	-	-	0.04	-
- Polysil Pipes	-	-	0.33	-
- Daman Plastic	-	-	-	-
- Smart Trading Services	5.77	3.38	5.00	10.34
<b>Loan Taken</b>				
- Bharat T Patel	106.75	208.51	41.50	-
- Dilipkumar Dholaria	-	-	-	-
<b>Loan Repaid</b>				
- Resin Distributors Limited	-	-	-	283.78
- Bharat Patel	94.25	89.05	24.50	-
- Dilipkumar Dholaria	-	-	-	-
<b>Sale of Export Benefit License</b>				
- Tufropes Private Limited	-	-	-	-
<b>Interest Paid</b>				
- Resin Distributors Limited	-	-	-	-
<b>Rent</b>				
- Santosh Agritech Services (Godown Rent)	-	-	9.44	14.16
- Smart Trading Services	4.32	14.04	5.90	-

<b>Directors' Remuneration</b>				
- Bharat Patel	14.01	42.02	37.02	30.02
- Dilipkumar Dholaria (up to 06.09.2022)	-	-	-	15.60
- Prafulbhai Radadia (w.e.f. 04.07.2022)	4.33	9.01	-	-
<b>Salary</b>				
- Aman Malpani (w.e.f. 01.02.2023)	2.70	8.09	2.02	-
- Prafulbhai Radadia (w.e.f. 04.07.2022)	-	3.97	12.41	12.00
- Neha Gupta (w.e.f. 01/02/2023)	0.85	0.63		
- Travelling Expenses and TADA				
- Prafulbhai Dhamjibhai Radadia (w.e.f. 04.07.2022)	2.27	12.00	9.22	

<b>Related Party Balances</b>				
<i>(₹ in Lakhs)</i>				
<b>Particulars</b>	<b>As on August 15, 2023</b>	<b>As on March 31, 2023</b>	<b>As on March 31, 2022</b>	<b>As on March 31, 2022</b>
<b>Other Long term Liabilities</b>				
Tufropes Private Limited	93.86	93.86	93.86	93.86
Resin Distributors Limited		-	-	-
<b>Trade Receivable</b>				
Santosh Agritech Services	0.92	0.92	0.92	0.92
Aden Pharmaceuticals Private Limited	0.13	0.13	0.13	0.13
<b>Short term borrowing</b>				
Bharat Patel	148.96	136.46	17.00	1.92
Dilip Dholaria	-	-	-	2.17
<b>Short term loan and advances</b>				
Smart Trading Services	8.92	10.03	12.22	5.63
<b>Other Current liabilities</b>				
Prafulbhai Dhamjibhai Radadia	5.41	5.54	2.79	2.55
<b>Salary Payable</b>				
Bharatkumar Tulsibhai Patel	-	3.50	-	-
Prafulbhai Dhamjibhai Radadia	4.33	1.08	1.08	1.08
Aman Malpani	2.02	0.67	-	-
Neha Gupta	0.42	0.21	-	-

For details, please refer to “**Related Party Transactions**” beginning on page 153 this Prospectus.

## **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 other than in the normal course of the business of the financing entity during a period of six (6) months immediately preceding the date of this Prospectus.

## **WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY OUR PROMOTER AND THE SELLING SHAREHOLDER IN THE ONE YEAR PRECEDING THE DATE OF THIS PROSPECTUS**

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

<b>Name</b>	<b>Number of Equity Shares acquired*</b>	<b>Face Value (in ₹)</b>	<b>Weighted average price per Equity Share (in ₹) #</b>
Bharatkumar Patel	27,30,000	10	Nil
Prafulbhai Radadia	4,55,000	10	Nil

\*Pursuant to Equity Shares allotted through bonus issue dated February 16, 2023

#As certified by statutory auditor by M/s Ratan Chandak & CO, Chartered Accountants dated February 01, 2024

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

Name of the Selling Shareholder	Number of Equity shares acquired#	Face Value (in ₹)	Weighted average price per Equity Share (in ₹)*
Satishkumar Maniya	12,13,000	10	Nil
Sunilkumar Shah	12,13,200	10	Nil
Rameshbhai Kakadiya	12,13,400**	10	Nil

\*As certified by statutory auditor by M/s Ratan Chandak & CO, Chartered Accountants dated February 01, 2024

\*\* transfer of shares not consider in calculation of average cost of acquisition

# Pursuant to Equity Shares allotted through bonus issue dated February 16, 2023

#### AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY OUR PROMOTERS AND THE SELLING SHAREHOLDERS

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

Name	Number of Equity Shares acquired*^	Average cost of acquisition per Equity Share (in ₹)#
Bharatkumar Patel	28,66,500	14.51
Prafulbhai Radadia	4,77,750	13.92

#Weighted average price has been arrived at by considering only the cost of shares allotted to the Promoters on account of further issue, bonus issue and transfers, i.e., cost paid by the Promoters for acquisition by way of subscription, bonus issue and acquisition from other shareholder(s) divided by the total number of equity shares acquired by the above transactions.

\*While calculating the weighted average price of the shares in the hands of the individual, the cost of shares was considered as the price paid to the transferor against such acquisition of shares.

^ As adjusted for sub-division of Equity Shares

As certified by statutory auditor by M/s Ratan Chandak & CO, Chartered Accountants dated February 01, 2024.

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

Name of the Selling Shareholder	Number of Equity Shares acquired^	Average cost of acquisition per Equity Share (in ₹)*
Satishkumar Maniya	12,73,650	14.13
Sunilkumar Shah	12,73,860	14.13
Rameshbhai Kakadiya	12,74,070**	14.13

^ As adjusted for sub-division of Equity Shares

\*\* transfer of shares not consider in calculation of average cost of acquisition

As certified by statutory auditor by M/s Ratan Chandak & CO, Chartered Accountants dated February 01, 2024

#### DETAILS OF PRE-ISSUE PLACEMENT

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

#### ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR

Date of Issue/ Allotment	No. of Equity shares Allotted	Face Value (₹)	Offer Price (₹)	Reason for Allotment	Name of Allottee	No. of Shares Allotted	Benefits Accrued
February 16, 2023	9,425,800	10.00	NA	Bonus Issue	Sunilkumar Shah	1,213,200	Capitalization of Reserves & Surplus
					Satishkumar Maniya	1,213,000	
					Rameshbhai Kakadiya	1,213,400	
					Dholiya Bhavesh	228,200	
					Chiragkumar Kheni	97,800	



					Bharatkumar Patel	2,730,000	
					Prafulbhai Radadia	455,000	
					Payal Jain	910,000	
					Ashaben Katrodiya	182,000	
					Bhagwanbhai Katrodiya	273,200	
					Linaben Katrodiya	273,000	
					Rashmita Katrodiya	182,000	
					Nareshkumar Virja	455,000	

For details, please refer to chapter titled “*Capital Structure*” beginning on page 63 of this Prospectus.

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

Except as stated below, the Company has not undertaken split or consolidation of the Equity Shares in the one (1) year preceding the date of this Prospectus.

Pursuant to the resolution passed by the shareholders of our Company on December 13, 2022, the face value of the Equity Shares was sub-divided from ₹ 100.00 per equity share to ₹ 10.00 per equity share. Accordingly, the Authorized Share Capital of our Company sub-divided from ₹ 70,00,000 consisting of 70,000 Equity Shares of face value of ₹ 100.00/- each were sub-divided into ₹ 70,00,000 consisting of 7,00,000 Equity Shares of face value of ₹ 10.00/- each; and the issued, subscribed and paid-up equity share capital of the Company from 47,129 Equity Shares of ₹ 100.00 each were sub-divided into 4,71,290 Equity Shares of ₹ 10.00 each.

#### **EXEMPTION FROM PROVISIONS OF SECURITIES LAW**

Our Company has not applied or received any exemption from complying with any provisions of Securities Law by SEBI.

## SECTION II – RISK FACTORS

An investment in our Equity Shares involves a certain degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Prospective investors should read this section in conjunction with “*Business Overview*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 102, 94 and 192, respectively of, as well as the financial and other information contained in, this 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 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 Prospectus. For further details, please see the chapter titled “*Forward-Looking Statements*” beginning on page 13 of this Prospectus.

Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Information for the period ended August 15, 2023, Financial Year ended 2023, Financial Year ended 2022 & Financial Year ended 2021 included in this Prospectus.

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

### Materiality

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

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

### INTERNAL RISK FACTORS

1. *Failure to successfully procure raw materials in a timely manner, at competitive rates, or at all, or to identify new raw material suppliers could adversely affect our business, financial condition and results of operations*

Our business depends on our ability to attract and retain quality focused and cost-efficient suppliers of raw material. During the period ended August 15, 2023, Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021, the cost of raw materials consumed represented 72.73%, 54.17%, 37.29% and 34.55% of our revenue from operations in each of the respective period. In the event we are unable to continue to procure raw materials in a timely manner, at competitive prices, on terms acceptable to us or at all, our business will be adversely affected. Our top 10 suppliers contributed 81.30%, 52.51%, 56.32%, and 64.51% for the period ended August 15, 2023, Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021, respectively. We procure our supply of raw materials from various vendors in the market. We do not have any long-term contracts for purchase of our raw materials. If we are unable to offset increases in the cost of raw materials through increases in the prices for our products, we may experience lower margins and reduced profitability, which would have a material adverse effect on our financial condition, cash flows and results of operations.

There can be no assurance that raw materials will be available in the future, in a timely manner, at competitive rates or at all. Any shortage in the production and supply of our key raw material namely, HDPE, LLDPE and LDPE granules would materially affect our production process. Moreover, these key raw materials are by-products of petroleum; any fluctuation in the international price of crude oil affects the price and supply of these raw materials. Further, the raw material supply and pricing can be volatile due to a number of factors beyond our control, including the ability of suppliers to manufacture such raw materials, 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. Therefore, any significant increase in the prices of these raw materials due to any reason, and our inability to pass on increased costs of raw material to our customers or reduction in demand from our customers, may adversely affect our sales and profitability.

2. ***Our Company, Promoter and Directors are involved in certain litigation which is currently pending at various stages. Any adverse decisions in these cases against the Company, Promoter and Director. may impact business and operations of the Company.***

Our Company, Promoter and Directors are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to our Company Promoter and Directors as on the date of this Prospectus have been provided below in accordance with the materiality policy adopted by our Board. For details kindly refer the chapter titled ***“Outstanding Litigation and Material Developments”*** beginning on page 203 of this Prospectus. A brief detail of such outstanding litigations as on the date of this Prospectus are as follows:

(₹ in Lakhs)

<b>Name of the Cases</b>	<b>Number of cases</b>	<b>Total amount involved (₹ in Lakhs)</b>
<b>Against our Company</b>		
Tax	3	14.79
TDS	11	8.02
Civil	Nil	Nil
Criminal	3	8.25
Regulatory Authority	1	Nil
<b>By our Company</b>		
Tax	Nil	Nil
Civil	Nil	Nil
Criminal	Nil	Nil
Regulatory Authority	Nil	Nil
<b>Against our Promoter</b>		
Tax	6	13.89
Civil	Nil	Nil
Criminal	2	8.25
Regulatory Authority	1	Nil
<b>By our Promoter</b>		
Tax	Nil	Nil
Civil	Nil	Nil
Criminal	Nil	Nil
Regulatory Authority	Nil	Nil
<b>Against our Directors</b>		
Tax	7	14.49
Civil	Nil	Nil
Criminal	3	8.25
Regulatory Authority	1	Nil
<b>By our Directors</b>		
Tax	Nil	Nil
Civil	Nil	Nil
Criminal	Nil	Nil
Regulatory Authority	Nil	Nil
<b>By our Group Company</b>		
Tax	Nil	Nil
Civil	Nil	Nil
Criminal	Nil	Nil
Regulatory Authority	Nil	Nil
<b>Against Group Company</b>		
Tax	Nil	Nil
Civil	Nil	Nil
Criminal	Nil	Nil
Regulatory Authority	Nil	Nil

We cannot assure you that these legal proceedings will be decided in favour of our Company, Promoter, and Directors, as the case may be, or that no further liability will arise out of these proceedings. If any new developments arise, such as change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our Restated Financial Statements that could increase our expenses and current liabilities. Further, such legal proceedings could divert management

time and attention and consume financial resources. Any adverse outcome in any of these proceedings may have an adverse effect on our results of operations and financial condition. Further, there is no assurance that legal proceedings will not be initiated against our Company, its directors, Promoters in future.

For details kindly refer the chapter titled “**Outstanding Litigation and Material Developments**” beginning on page 203 of this Prospectus

**3. In case of our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business it may have a material adverse effect on our business.**

We require certain statutory and regulatory permits, licenses and approvals to operate our business. We believe that we have obtained all the requisite permits and licenses which are adequate to run our business. However, there is no assurance that there are no other statutory/regulatory requirements which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied with by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

For further details, please refer to Chapters titled “**Key Industry Regulations and Policies**” and “**Government and Other Approvals**” beginning on pages and 118 and 210 of this Prospectus.

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

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

(₹ in Lakhs)

Particulars	As on August 15, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Net Cash Flow from / (used in) Operating Activities	20.02	199.73	(41.24)	(42.30)
Net Cash Flow from / (used in) Investing Activities.	16.09	(161.04)	(228.37)	(92.04)
Net Cash Flow from / (used in) Financing Activities	(37.63)	(46.81)	241.18	149.22

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

**5. The Micro Irrigation Industry is highly dependent on subsidy policy by the central & state government.**

Our customers are mainly farmers who are looking for irrigation solutions. We sell our products through institutional and project market sale as well as open market sale. A part of our sale consideration is received by us as subsidy transfer (50% to 70%) by the central or state government over a period of 4 - 8 months from sale. Any adverse change or withdrawal of Government Subsidy policies or any delay in payment of the subsidy amounts could adversely affect our business

Further, our eligibility to receive subsidies from nodal agency is subject to fulfillment of prescribed parameters by our Company. Such conditions include the quality of the products, the nature of the after sales service, warranties etc. While we are in compliance with all such eligibility parameters as on date, we are unable to assure you that we shall continue to comply with such conditions in the future. In case we are unable to meet any or all of such eligibility parameters, we shall be unable to market our products under the subsidy scheme, which shall materially increase the cost of our products from the farmers’ perspective and consequently may adversely affect our revenues.

**6. We rely significantly on our Dealers/Distributors network for sale of our products through open market sale.**

We sell our products in open market through our network of distributors & dealers. As on the date of this Prospectus, we have around 425 dealers and around 9 distributors spread across the country. Our dealers and distributors are the connect between us and our customer i.e. farmers whom we bill directly also. Furthermore, our business growth in open markets depends on our ability to attract additional dealerships to our distribution network. While we believe that we have good relations with our dealers, there is no assurance that our current dealers will continue to do business with us or that we can continue to attract

additional dealers to our network. If we do not succeed in maintaining the stability of our dealership network, our market share may decline, materially affecting our results of operations and financial condition.

Further, while we continuously seek to increase the penetration of our products by appointing new dealers and distributors targeted at different markets and geographies, we cannot assure you that we will be able to successfully identify or appoint new dealers and distributors, or effectively manage our existing dealers and distribution network. If our competitors offer more favourable terms to our dealers and distributors than those offered by us, such dealers and distributors may decline to distribute our products and terminate their arrangements with us or they may focus on selling our competitors' products. In addition, our competitors may also have exclusive arrangements with other dealers and distributors which may restrict us from selling our products through them, thereby limiting our ability to expand our network. If we are unable to expand or effectively manage our distribution network, it could have an adverse effect on our business, financial condition and results of operations.

We do not have long-term agreements with our dealers and distributors and rely on purchase orders to govern the price and other terms of sale of our products. Purchase orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories. Further, due to the lack of long-term agreements, and in the absence of any exclusivity arrangements with us, our dealers and distributors are not contractually bound to provide us a specific volume of business and can terminate our relationship with or without cause, with little or no advance notice and without compensation. Consequently, there is no commitment on the part of dealers and distributors to continue to place new orders with us and our sales may fluctuate from period to period as a result of changes in our distributors' preferences, and we may be unable to procure repeat orders. For the aforesaid reasons, we also lack control over any sub-dealers, and in certain cases, over the retailers of our products.

Cancellation by dealers and distributors, reduction in their orders or instances where anticipated orders fail to materialize can result in mismatches between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to inventory maintenance and reduction of our margins, which may adversely affect our profitability and liquidity.

**7. *Any disruptions in transportation systems, including those arising from our reliance on third parties for our transportation needs, may adversely affect our business and results of operations***

We rely on third party transportation service providers at every stage of our business activity, including for procurement of raw materials from our suppliers and for transportation of our finished products from our manufacturing facilities to our dealers and distributors or the end users. Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a timely and cost-efficient manner. We have not entered into any long-term contracts with such transportation service providers, and accordingly our transportation costs may vary and are based on rates that are offered to us from time to time. We also face transportation risks due to any loss or pilferage, which we may not be able to fully recover from our transportation service providers or from our insurance coverage. While we adjust freight costs in the cost of products sold to our dealers and distributors in some cases, we also enter into arrangements where the cost of transport is borne by our customers. Further, the cost of our goods carried by such third-party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to fully recover compensation for damaged, delayed or lost goods, because of various factors such as the inability of a transportation services provider to pay.

Our business is also vulnerable to increased transportation costs due to various factors, including increase in fuel costs, increase in road and toll taxes, transportation strikes, delays, damage or losses of goods in transit, disruption of transportation services because of weather related problems, strikes, lock-outs, accidents, inadequacies in road infrastructure or other similar events. Any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or inability to supply our products to our dealers and distributors, or may require us to look for alternative means of transportation which may not be cost efficient, thereby adversely affecting our operations, profitability, reputation and market position.

**8. *Any failure to adapt to industry trends and evolving technologies to meet our customers' demands may adversely affect our business and results of operations.***

Changes in customers' preferences, regulatory or industry requirements, or competitive technologies may render certain of our products obsolete or less attractive. For instance, with the introduction of flat drip line irrigation category demand for cylindrical dripper product category was impacted. Accordingly, our ability to anticipate and successfully develop and introduce new or enhanced products on a timely basis is a significant factor in our ability to remain competitive. While we have introduced flat drip line product categories, we cannot assure that we would be able to introduce or modify our production process in the future.

There can be no assurance that we will be able to secure the necessary technological knowledge to enable us to develop our product portfolio as planned. For instance, we may not be able to install and commission the facilities required to manufacture standardize products or non-standardize product for our customers in time for the start of production, and the transitioning of our manufacturing facilities and resources to full production for standardize products and non-standardize may impact production rates or other operational efficiency measures at our facilities. Our failure to successfully adopt such technologies in a cost-effective and a timely manner may increase our costs and lead to us being less competitive.

**9. *We are subject to risks associated with expansion into new geographic markets. Any inability to expand into new geographic***



**markets or penetrate existing markets may adversely affect our growth and future prospects.**

Any geographic expansion subjects us to various challenges, including those relating to our lack of familiarity with the culture, consumer preferences, regulations and economic conditions of new regions. Language barriers, difficulties in staffing and managing such operations, coupled with our lack of brand recognition and reputation in such regions may also affect our ability to expand into newer geographic regions. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. While we have exported our products to few of the African countries in the past, we have no export sales during the preceding 3 (three) financial year ending on March 31, 2023 and for the period ended on August 15, 2023.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- compliance with a wide range of local and municipal laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- uncertainties in relation to new local business partners, including dealers and distributors, logistics and transportation partners;
- inability to understand consumer preferences and local trends in such new regions; and
- political, economic and social instability

Further, depending on the product vertical we market in such new territories, we may also face significant competition from other players who may already be established in such markets and may have a significant market share, or from a well-established unorganized player. We may not be able to compete effectively with such players if we are unable to offer competitive products at better price points which appeal to consumers in such markets. Some of our competitors in such geographies may also have certain competitive advantages, including access to local knowledge and resources, which may impact our ability to increase our market share in such regions. By expanding into new geographical regions, we may be exposed to significant liability, including due to increased compliance costs on account of local laws and regulations, and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

Further, we may not be able to enter into distribution arrangements in new geographic regions due to existing relationships of our competitors with distributors in such areas, including any exclusive arrangements that may be in place. Additionally, we may not be able to continue to penetrate existing markets due to any of the reasons specified above. Any inability to enter into new geographic markets or penetrate existing markets could adversely affect our growth, future prospects, financial condition and results of operation.

**10. We depend on the success of our relationships with our customers. We generally do business with customers on purchase order basis and do not enter into long term contracts with our customers. Any loss of one or more of our top customers, or 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.**

The table below provides contribution from our top one, top five and top 10 customers to our revenue from operations in Fiscal 2020, 2021, 2022 and for the period ended July 31, 2023 -

Particular	Fiscal 2021		Fiscal 2022		Fiscal 2023		For the period ended on August 15, 2023	
	Amount (₹ in Lakhs)	Percentage Of Revenue from Operations (%)	Amount (₹ in Lakhs)	Percentage Of Revenue From Operations (%)	Amount (₹ in Lakhs)	Percentage Of Revenue from Operations (%)	Amount (₹ in Lakhs)	Percentage Of Revenue from Operations (%)
Top 1	1947.10	35.67%	725.51	19.28%	931.23	21.22%	252.21	24.24%
Top 5	3774.44	69.14%	1609.23	42.77%	1877.08	42.78%	763.39	73.37%
Top 10	4082.82	74.79%	1946.43	51.74%	2654.58	60.50%	991.39	95.28%

We expect that we will continue to be reliant on our top customers for the foreseeable future. There can be no assurance that our top customers will continue to place similar orders with us in the future as they had placed in the past. A significant decrease in business from such top customers, whether due to circumstances specific to such customer or adverse market conditions or the economic environment generally, may materially and adversely affect our business, results of operations and financial condition.

There is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers

We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be

able to significantly reduce customer concentration in the future.

Maintaining strong relationships with our key customers is, therefore, essential to our business strategy and to the growth of our business. Some of these customers have been associated with us for the past years. The loss of any key customer, may significantly affect our revenues, and we may have difficulty securing comparable levels of business from other customers to offset any loss of revenue from the loss of any of our top five customers. We may also not be able to easily re-allocate our resources and assets in a timely or efficient manner

Our relationships with our customers are therefore dependent to a large extent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries and consistent product quality. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from affected customers.

**11. Our Statutory Auditor have included certain emphasis of matters in their auditors' report in our audited financial statements and Restated Financial Statement for Fiscal 2023.**

Our Statutory Auditor has drawn attention to qualitative matters of emphasis in their reports on the audited financial statements for Fiscal 2023. The opinion of our Statutory Auditor on these financial statements is however not modified due to these matters of emphasis. Set out below are these matters of emphasis:

Sr. No	Emphasis of Matter	Steps taken by the Company
1	Impact on professional tax payable. The Company has deducted professional tax from payment to employees but not paid the same for the period beginning from Nov- 2019 till date.	The management of the Company has accepted to access and compute the impact of professional tax payable and file the professional tax return with the appropriate authorities.

The extent of the arrears of outstanding profession tax dues as on the last day of the financial year concerned for a period of more than six months from the date, they became payable, is indicated below: -

Month	Due Date of Payment	Amount of Due for Payment	Month	Due Date of Payment	Amount of Due for Payment (in Rs.)
Nov-19	15/12/2019	25,710	Aug-21	15/09/2021	30,500.00
Dec-19	15/01/2020	27,150	Sep-21	15/10/2021	30,150.00
Jan-20	15/02/2020	26,600	Oct-21	15/11/2021	29,560.00
Feb-20	15/03/2020	26,360	Nov-21	15/12/2021	28,430.00
Mar-20	15/04/2020	27,600	Dec-21	15/01/2022	29,700.00
Apr-20	15/05/2020	28,300	Jan-22	15/02/2022	30,210.00
May-20	15/06/2020	28,690	Feb-22	15/03/2022	30,000.00
Jun-20	15/07/2020	28,310	Mar-22	15/04/2022	30,010.00
Jul-20	15/08/2020	28,060	Apr-22	15/05/2022	27,800.00
Aug-20	15/09/2020	28,480	May-22	15/06/2022	28,400.00
Sep-20	15/10/2020	29,370	Jun-22	15/07/2022	23,800.00
Oct-20	15/11/2020	29,000	Jul-22	15/08/2022	23,800.00
Nov-20	15/12/2020	28,120	Aug-22	15/09/2022	23,200.00
Dec-20	15/01/2021	29,100	Sep-22	15/10/2022	22,200.00
Jan-21	15/02/2021	31,220	Oct-22	15/11/2022	21,400.00
Feb-21	15/03/2021	30,930	Nov-22	15/12/2022	20,400.00
Mar-21	15/04/2021	31,670	Dec-22	15/01/2023	20,000.00
Apr-21	15/05/2021	32,010	Jan-23	15/02/2023	19,400.00
May-21	15/06/2021	31,600	Feb-23	15/03/2023	18,600.00
Jun-21	15/07/2021	7,200	Mar-23	15/04/2023	17,000.00
Jul-21	15/08/2021	8,180			

The Statutory dues above which have not been deposited as on March 31,2023 on account of dispute are stated below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	₹ in Lakhs
The Income Tax Act, 1961	Income Tax	CPC - Bangalore	AY*202021 (Tax) AY*2020-21 (Interest)	11.26 2.25
	Income Tax	CPC - Bangalore	AY * 2015-16	0.04
	Income Tax	CPC - Bangalore	AY * 2016-17	0.67
The Income Tax, 1961	TDS	CPC - Bangalore	FY * 2022-23	0.10
	TDS	CPC- Bangalore	FY * 2021-22	3.69
	TDS	CPC- Bangalore	FY * 2020-21	1.99
	TDS	CPC - Bangalore	FY * 2019-20	negligible
	TDS	CPC - Bangalore	FY * 2017-18	0.01
	TDS	CPC - Bangalore	FY * 2015-16	0.01
	TDS	CPC - Bangalore	FY * 2014-15	0.43
	TDS	CPC - Bangalore	FY * 2013-14	0.58
	TDS	CPC - Bangalore	FY * 2011-12	negligible
	TDS	CPC - Bangalore	FY * 2010-11	1.19
TDS	CPC - Bangalore	FY * 2009-10	0.02	

\* AY=Assessment Year; FY= Financial Year

For further details, see *“Restated Financial Statements”* on page 148 of this Prospectus.

We cannot assure you that our audit reports for any future fiscal periods will not contain qualifications, emphasis of matters or other observations which affect our cash flows or results of operations in such future periods.

## 12. **Potential impact on manufacturing operations from absence of Independent Contractors**

Our manufacturing operations, characterized by their labour-intensive nature, could be significantly impacted by strikes, work stoppages, or heightened wage demands from our employees.

Relying on a substantial labour force, our operations' success hinges on both labour availability and maintaining positive employee relationships. The possibility of skilled/unskilled personnel shortages or work stoppages arising from employee disagreements could adversely affect our business and operational outcomes.

Our Company currently operates without the engagement of independent contractors. Further, our Company has not enter any agreement with the independent contractors or third party. We also employ casual labour or temporary labour on need basis. Though we have not encountered major prolonged disruptions from disputes before, it's crucial to acknowledge that we do not utilize independent contractors. Consequently, we directly engage these laborers through third party, assuming responsibility for wage payments to them. Such circumstances introduce potential financial and operational risks. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such third party. While we have not been subject to any wage payments on account of default of third party in the last three Fiscals any requirement to fund their wage requirements in the future may have an adverse impact on our results of operations and our financial condition.

India has stringent labor 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 labor policies, and we may face the threat of labor 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.

## 13. **We require certain approvals, licenses, registrations and permits for our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations**

We require several statutory and regulatory, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-obtaining or non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us. The brief details are mentioned here under:

Sr. No	Description	Authority	Registration No. /License No./ Certificate No	Status
1	Professional Tax Certificate	Gujarat Goods and Service Tax	PEW21013303	Not Applied
2	Professional Tax Certificate	Gujarat Goods and Service Tax	PRCO21003158	Not Applied
3	Employees' Provident fund	Employees Provident Fund Organization	VDBRD1724800000	Not Applied
4	ESIC Certificate	Employees' State Insurance Corporation	38000460590000999	Not Applied

Further, we also require certain certifications in the name of Polysil Irrigation Systems Limited, pursuant conversion from private company to public company by the Registrar of Companies, Ahmedabad, Gujarat

There can be no assurance that the relevant authorities will issue any of such license or approvals in the time-frame anticipated by us or at all. Further, some of our licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant licenses or approvals.

Any failure by us to apply in time, to renew, maintain or obtain the required, licenses or approvals, or the cancellation, suspension or revocation of any of the licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business

For further details, please see chapters titled **“Government and Other Approvals”** at page 199 of this Prospectus.

**14. Demand for our product is seasonal and largely depends on the farm produce and subsidy cycle. Our inability to estimate demand and consequently maintain an optimal level of inventory in our depots and manufacturing facilities may impact our operations adversely.**

The success of our business depends to a large extent on our ability to estimate the demand for our products so as to effectively manage our inventory. Our end customers are farmers, whose procurement cycle largely depends on the season and the farm produce during a particular year. An optimal level of inventory is important to our business as it allows us to respond to demand effectively and to maintain a full range of products for supply to our dealers and distributors. Ensuring availability of our products requires prompt turnaround time and a high level of coordination across all functions, including raw material procurement, manufacturing and warehousing.

We aim to maintain an optimal level of inventory of raw materials, stock-in-trade, work in process and finished goods. We plan our production volumes based on past trends of demand for our products. For the period ended August 15, 2023, Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021, our total inventory amounted to ₹ 2,170.54 lakhs, ₹ 1,394.28 lakhs, ₹ 1211.47 lakhs and ₹ 1170.07 lakhs which is 46.93%, 31.78%, 32.20% and 21.43% of our revenue from operations, respectively. The inventory level gets normalised during the end of the financial year. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. As our dealers and distributors are not obliged to purchase our products or provide us with binding forecasts, there can be no assurance that demand will match our production levels. Any error in forecasting could result in shortages or surplus stock which could lead to loss of business or have an adverse impact on our profitability. If we over-stock inventory, our capital requirements may increase due to increased costs of inventory maintenance and we may incur additional financing costs. If we under-stock inventory, our ability to meet demand and our operating results may be adversely affected. Additionally, if our production is not in sync with market demand, it could result in inventory pile up and lower off-take. Further, we may be required to offer discounts to clear unsold inventory, which may adversely impact our margins. There can be no assurance that we will not face inventory mismatch in the future. Our inability to accurately plan production of our products and manage our inventory may have an adverse effect on our business, financial condition and results of operations.

**15. Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.**

Our business requires a significant amount of working capital, which varies depending upon the time of subsidy payment by the State & Central government agencies. For instance, for the period ended August 15, 2023, Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021, our net working capital requirement was ₹ 2,585.27 lakhs, ₹2380.02 lakhs, ₹2216.32 lakhs and ₹1814.90 lakhs. On an average the subsidy payments are realized between 4-6 months. Our ability to finance our working capital requirements is subject to a number of risks, contingencies and other factors, some of which are beyond our control, including borrowing or lending restrictions under applicable laws, terms

of our financial and other arrangements, our own profitability and liquidity and general economic and market conditions. We cannot assure you that such funding will be obtained in a timely manner, on satisfactory terms, or at all. Moreover, if we raise additional debt, our interest expense will increase and the financial covenants under our existing loans may be impacted. If we raise additional funds through the issuance of equity, your ownership interest in our Company will be diluted. If we are unable to obtain funds to meet our working capital requirements, on favourable terms, in a timely manner, or at all, it could have a material adverse effect on our business, financial condition and results of operations.

**16. *We require certain approvals, licenses, registrations and permits for our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations***

We require several statutory and regulatory, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-obtaining or non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition.

There can be no assurance that the relevant authorities will issue any of such license or approvals in the time-frame anticipated by us or at all. Further, some of our licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant licenses or approvals.

Any failure by us to apply in time, to renew, maintain or obtain the required, licenses or approvals, or the cancellation, suspension or revocation of any of the licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. For further details regarding the material approvals, licenses, registrations and permits, see chapter titled on "**Government and Other Approvals**" and "**Key Industry Regulations and Policies**" beginning on page no. 210 and 118 of this Prospectus.

**17. *There have been some instances of delay/ default in payment of statutory dues by our Company in the past.***

There have been some instances of delay/ default in payment of statutory dues by our Company in the past which were not material in nature and the same were regularised subsequently. For the last three Fiscals, our Company has generally been regular in depositing undisputed statutory dues such as provident fund, tax deducted at source, Income Tax, good and service tax etc. and other statutory dues applicable to it.

Further, there has been instances of delay payment to statutory authority with respect to GST, PF and ESIC.

There was a delay in the payment for the filing of return GSTR3B of Maharashtra state during the financial year in 2020-21, 2021-22 and 2022-23, for the filing of return GSTR3B of Gujarat state during the financial year in 2020-21, 2021-22 and 2022-23, for the filing of return GSTR3B of Haryana state during the financial year in 2020-21, 2021-22 and 2022-23, for the filing of return GSTR3B of Gujarat state during the financial year in 2020-21, 2021-22 and 2022-23, for the filing of return GSTR3B of Tamil Nadu state during the financial year in 2020-21, 2021-22 and 2022-23 and for the filing of return GSTR3B of Madhya Pradesh state during the financial year in 2020-21, 2021-22 and 2022-23. There was a delay in the payment for the filing of return of TDS during the financial year in 2020-21, 2021-22 and 2022-23. There was a delay in the payment for the filing of return of EPF and ESIC during the financial year in 2020-21, 2021-22, 2022-23 and for the period ended July 31, 2023

However, we cannot assure that we will not be subject to any legal proceeding or regulatory actions, including monetary penalties by statutory authorities on account of such delay in payment of contribution towards Employee Provident Fund in future, which may adversely affect our business, financial condition, and reputation

**18. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

We propose to utilize the Net Proceeds for the purposes described in chapter titled "**Objects of the Offer**" on page 76. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment,

business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner.

Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI.

Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company.

Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by redeploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business, cash flows and results of operations.

**19. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds.***

We intend to utilize the Net Proceeds of the Offer as set forth in the chapter titled "***Objects of the Offer***" beginning of this Prospectus. The funding requirements mentioned as a part of the objects of the Offer are based on internal management estimates in view of past expenditures and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies and since we have not presently entered into any definitive agreements for the use of Net Proceeds. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, we may also use funds for future businesses and products which may have risks significantly different from what we currently face or may expect. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment. For further details, please see chapter titled "***Objects of the Offer***" beginning on page 76 of this Prospectus.

**20. *We may be subject to financial and reputational risks due to product quality and liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.***

Our products may contain quality issues or undetected errors or defects, especially when first introduced, resulting from the design or manufacture of the product or raw materials used in the product. While we test for quality on a sample basis at our in-house quality labs at our manufacturing facility, we cannot assure you that all products would meet our quality standards. Such quality issues can expose us to product liability claims or require us to replace such products, in the event that our products fail to meet the required quality standards, or are alleged to cause harm to customers. Further, if any of the products sold by us fail to comply with our quality standards, it may result in customer dissatisfaction, which may have an adverse effect on our business, sales and results of operations.

Further, we also provide warranty for around 5 years primarily for manufacturing defects on HDPE pipes and on fittings and accessories it is 3 years, in accordance with industry standards. To the extent that products shipped by us do not, or are not deemed to, satisfy such warranties, we could be responsible for repairing or replacing any defective products, or, in certain circumstances, effecting a recall of all products which might contain a similar defect, as well as for consequential damages. We have, from time to time, when faced with warranty claims, replaced or repaired such products. However, we face the risk of legal proceedings and product liability claims being brought against us by various entities including consumers, dealers and distributors for various reasons including for defective products sold. While we have not experienced any major claim during the period under review, we cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims, regardless of whether we are responsible for any alleged defects. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs in excess of our available insurance coverage, which may adversely affect our reputation, business and financial condition.

**21. *The objects of the Offer include funding working capital requirements of our Company, which are based on certain assumptions and estimates***

The objects of the Offer include funding working capital requirements of our Company, which are based on management estimates and certain assumptions in relation to inter alia, the cost and holding periods of inventories of raw materials and finished goods, trade receivables and trade payables. For details, see "***Objects of the Issue***" on page on page 76. Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers, availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements

**22. *Our Company has incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations. Our financing agreements impose certain restrictions on our operations, and our failure to comply with operational and financial covenants may adversely affect our reputation, business and financial***



**condition.**

As on March 31, 2023, our total long-term borrowing was ₹169.98 lakhs and total secured short-term borrowings of ₹1,240.81 lakhs (including current maturities of long-term borrowings excluding unsecured loan from Directors). Further, as on August 15, 2023, our total long-term borrowing was ₹133.80 lakhs and total secured short-term borrowings of ₹1,432.37 lakhs (including current maturities of long-term borrowings and unsecured loan from Directors). Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions. In the event that we breach a restrictive covenant, our lenders could deem us to be in default and seek early repayment of loans. An event of default would also affect our ability to raise new funds or renew maturing borrowings as needed to conduct our operations and pursue our growth initiatives. While there has been no event of default, we cannot assure you that our Company may not default towards the repayment of the outstanding loan in the future. Further, we have not received consents from our lender for the Fresh Issue, these restrictive covenants may affect some of the rights of our Shareholders.

For, further details on our outstanding debt please refer chapter titled **“Financial Indebtedness”** on page 201 of this Prospectus.

**23. Our Company have unsecured loans that may be recalled by the lenders at any time.**

Based on restated financial statement, as on March 31, 2023 and for the period ended August 15, 2023, our Company has unsecured loan of ₹ 136.46 lakhs and ₹ 148.96 lakhs, respectively, from Promoter Director of our Company which are repayable on demand to relevant lenders. These unsecured loans may be re-called at any time by these parties. In the event these loans are required to be re-paid on a short notice, our Company may have to arrange additional fund which may affect our business, cash flows, financial condition and results of operations. For further details, see **“Financial Indebtedness”**, on page 201 of this Prospectus.

**24. We rely on third-party manufacturers for sale of some of our products. Any shortage and cessation in supply from these contract manufacturers could adversely affect our business, results of operations and cash flows.**

We rely upon third-party manufacturers for production of some of our products, such as filters, fittings, nozzles, components, accessories and allied products which forms part of the micro irrigation system that we sell. We rely on these contract manufacturers to manufacture some of the products that we sell, and our contract manufacturers, in turn, rely on third-party suppliers for many of the components used in our products. We do not enter into any supply contract and accordingly, they do not supply these products to us on an exclusive basis. We are therefore subject to the risk that the third-party manufacturers may sell products to other buyers in or outside India. Thus, our manufacturing model presents risks on our ability to receive an adequate supply of quality products at acceptable prices. These risks include, delays of or disruptions in the supply of products, interruptions to the manufacturing operations of our contract manufacturers or third-party suppliers due to strikes, lockouts, work stoppages or other forms of labour unrest, breakdown or failure of equipment, earthquakes, floods, pandemics and other natural disasters as well as accidents and the need to comply with the directives of relevant governmental authorities, failures to comply with product specifications, insufficient quality and safety controls, significant adverse changes in the financial or business conditions of contract manufacturers, misappropriation of our intellectual property by our third-party manufacturers, etc. We intend to continue to build our relationships with certain of our contract manufacturers.

Any of these events could delay the successful and timely delivery of products that meet our quality, safety, security and other requirements. Although we believe we have maintained stable relationships with these manufacturing partners in the past, we cannot assure you that, if we are unable to source adequate quantities of products in a timely manner from our existing suppliers in the future, we will be able to find alternative manufacturers at acceptable prices and quality levels or at all. Our inability to do so may adversely affect our reputation, business, results of operations and cash flows.

**25. We have issued Equity Shares in last twelve (12) months at a price lower than the Offer Price (other than bonus)**

We have issued equity shares in last twelve (12) months at price lower than the Offer Price of this Prospectus. Following are the details of such issuance of equity shares:

Date of Issue/ Allotment	No. of Equity shares Allotted	Face Value (₹)	Offer Price (₹)	Reason for Allotment	Name of Allottees	No. of Shares Allotted	Benefits Accrued
February 16, 2023	9,425,800	10.00	NA	Bonus Issue	Sunilkumar Shah	1,213,200	Capitalization of Reserves & Surplus
					Satishkumar Maniya	1,213,000	
					Rameshbhai Kakadiya	1,213,400	
					Dholiya Bhavesh	228,200	
					Chiragkumar Kheni	97,800	
					Bharatkumar Patel	2,730,000	
					Prafulbhai Radadia	455,000	
Payal Jain	910,000						

					Ashaben Katrodiya	182,000	
					Bhagwanbhai Katrodiya	273,200	
					Linaben Katrodiya	273,000	
					Rashmita Katrodiya	182,000	
					Nareshkumar Virja	455,000	

For more details, please refer chapter titled “*Capital Structure*” beginning on page 63 of this Prospectus.

26. ***We have not identified any alternate source of raising the funds mentioned as our ‘Objects of the Issue’. Any shortfall or delay in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of funds for working capital cycle or may result in us borrowing funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the Company.

27. ***Our insurance coverage may not adequately protect us, which may adversely affect our business, results of operations and financial condition.***

We believe that the insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, however, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time. In the event, we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

Further, our Company is required to renew these insurance policies from time to time and in the event, we fail to renew the insurance policies within the time period prescribed in the respective insurance policies or not obtain at all, our Company may face significant uninsured losses. If our Company suffers a large uninsured loss or if any insured loss suffered, significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

28. ***If we are subject to any frauds, theft, or embezzlement by our employees, suppliers, contractors, it could adversely affect our reputation, results of operations, financial condition and cash flows.***

Our operations may be subject to incidents of theft. We may also encounter some inventory loss on account of employee/ contractor/ distributor/ vendor fraud, theft, or embezzlement. Although we have set up various security measures in our manufacturing unit such as deployment of security guards and operational processes such as periodic stock taking, there can be no assurance that we will not experience any fraud, theft, employee negligence, loss in transit or similar incidents in the future, which could adversely affect our reputation, results of operations, financial condition, and cash flows.

29. ***Information in relation to our installed capacity and capacity utilization of our Manufacturing Unit included in this Draft Prospectus is based on various assumptions and estimates, and future production and capacity utilization may vary.***

Information relating to our installed capacities and the capacity utilization of our Manufacturing Unit included in this Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials, actual product mix vis-à-vis the products mix envisaged for computation of our installed capacity and assumptions relating to potential utilization levels and operational efficiencies. While we have obtained a certificate dated January 29, 2024, from Ramesh V. Vaghela, Independent Chartered Engineer, actual capacities and utilization rates may differ significantly from the estimated installed capacities or estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our installed capacity or estimated capacity utilization information for our existing facility included in this Draft Prospectus.

30. ***We do not own our administrative office and godowns/storage from which we carry out our business activities.***

Any termination or dispute in relation to these rental agreements may have an adverse effect on our business operations and results thereof. We do not own the administrative Office and godown/ storage from which we operate. The said offices are taken by us on lease basis from the member of promoter group and third parties. As per the leave & license agreements, non-payment or default in payment of rentals or violation of any term of rent agreement may require us to vacate the said premises which may cause disruption in our affairs and business and impede our effective operations and thus adversely affect our profit ability.

We also cannot assure that lessor will not terminate the rental agreement prior to expiry or at the time of expiry of the agreement, which would require us to locate to another premise and may have an adverse effect on conducting our business operations. For further details regarding the premises, please refer to chapter titled “*Business Overview*” on page 102 of this Prospectus

31. ***Our future funds requirements, in the form of issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible

securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

**32. *We do not hold any patents or other form of intellectual property protection in relation to our manufacturing processes, and our inability to maintain the integrity and secrecy of our manufacturing processes may adversely affect our business.***

While we possess technical knowledge about our products and design our tools in-house, our know-how may not be adequately protected by intellectual property rights. While we generally take precautions to protect our trade secrets and confidential information against breach of trust by our employees, consultants, job workers, customers and suppliers, it is possible that unauthorized disclosure of our trade secrets or confidential information may occur. We cannot assure you that we will be successful in the protection of our trade secrets and confidential information. Our manufacturing processes may not be eligible for intellectual property protection and others may be able to use the same or similar production processes, thereby undermining any competitive advantage we may have derived from such processes and adversely affecting our financial condition, cash flows and results of operations.

**33. *Our Manufacturing Unit is located at Vadodara in Gujarat exposing us to regulatory and other geography specific risks such as weather and natural occurrences as well as regulatory, economic, demographic and other changes in Gujarat.***

Our Manufacturing Unit is located at Vadodara, Gujarat, within the same premise. Accordingly, our current manufacturing operations is concentrated in one geographic area.

The concentration of our operations at one location in Gujarat heightens our exposure to adverse developments related to weather and natural occurrences, any workforce disruptions, as well as regulatory, economic, demographic and other changes in Gujarat, which may adversely affect business, financial condition and results of operations.

Further, our manufacturing operations require significant labour and are also reliant on government policies in terms of taxes, duties and incentives made applicable by the Gujarat state government. As a result, any unfavourable policies in Gujarat, could adversely affect our business, financial condition and results of operations. Furthermore, Gujarat has experienced social and civil unrest in the past within the state and such tensions could lead to political or economic instability in Gujarat and a possible adverse effect on our business, financial condition and results of operations. There can be no assurance that such situations will not recur or be more intense than in the past.

**34. *Our business operations may be disrupted by an interruption in power supply, which may impact our business operations.***

Our units and operations require constant power supply and any disruption in the supply of power 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. As per our Restated Financial Statements, our cost of power constituted 6.38%, 2.60%, 1.98% and 2.35% of our revenue from operations, respectively, for the period ended August 15, 2023 and for the Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021. Further, we do not hold any stand by power supply in our Manufacturing Unit. While there has been no major power disruption in the past however, any such disruption in the primary power supply available at our Manufacturing Unit could materially and adversely affect our business, financial condition and results of operations.

**35. *Delays or defaults in client payments could affect our operations.***

We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

**36. *Our Promoters / Directors / Key Management Persons have given personal guarantees and have secured their personal properties in relation to debt facilities provided to us.***

Our Promoters and Key Management Person of our Company and their relatives namely, Bharatkumar Patel, Tulsibhai Patel, Nitinbhai Patel and Rajendrabhai Savani have provided personal guarantee and have also given their personal property as collateral in relation to our secured debt facilities availed from the banks. In an event our Promoters/ Directors withdraw or terminates his/their guarantee/s or security of personal properties, the lender for such facilities may ask for alternate guarantee/s or securities or for repayment of amounts outstanding under such facilities or even terminate such facilities. We may not be successful in procuring guarantee/s or collateral securities satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled "*Financial Indebtedness*" beginning on page 201 of this Prospectus. Credit facility availed by us from Banks may be recalled or revoked at any time.

Pursuant to certain loan facilities availed by us, the bank reserves the right to recall and /or revoke the facilities in full or in parts without notice or giving any reason. We cannot assure you that we will have adequate funds at all times to repay credit facility and may also be subject to the payment of higher penal interest. Moreover, our ability to borrow and the terms of our borrowings depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment. We may not be successful in obtaining these additional funds in a timely manner, or on favourable terms or at all, which could adversely affect our results of operations. For further details, see “*Financial Indebtedness*” on page 201 of this Prospectus.

**37. *We are susceptible to exchange rate fluctuations***

While we have not undertaken any export during the preceding 3 (three) years, we have imported some of our raw material requirements. Our Company has import for the period ended August 15, 2023, Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021 was ₹ 1.97 lakhs, ₹ 148.66 lakhs, ₹220.80 Lakhs and ₹ 274.13 Lakhs comprising of 0.20%, 3.39%, 5.87% and 5.02%, respectively of the revenue from operations of the Company. We are, therefore, exposed to risks relating to exchange rate fluctuations. In addition, because our financial statements are presented in Indian Rupees, we are subject to translation risk, which is the risk that our financial statements for a particular period or as of a certain date depend on the prevailing exchange rates of other currencies, against the Indian Rupee. The exchange rate between the Indian Rupee and other foreign currencies has changed considerably in recent years and may further fluctuate in the future. Such fluctuations in currency exchange rates may impact our results of operations. Based on our overseas business operations, we primarily deal in USD. Our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the USD, may have a material impact on our results of operations, cash flows and financial condition. Our Company has not created any hedge against our foreign currency exposure. In the event, we do not continue to hedge our risks, we may, be exposed to risks arising from exchange rate fluctuations and may not be able to pass on all losses on account of foreign currency fluctuations to our customers.

**38. *Our Company will not receive any proceeds from the Offer for Sale.***

The Selling Shareholders will receive the proceeds from the Offer for Sale. The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholders shall be entitled to the proceeds from the Offer for Sale (net of its portion of the Offer-related expenses) and our Company will not receive any proceeds from the Offer for Sale. None of our Directors or Key Managerial Personnel or Senior Management Personnel will receive, in whole or in part, any proceeds from the Offer.

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

Our Company has entered into transactions with certain related parties. While we confirm that all such transactions have been conducted on an arm’s length basis and in the ordinary course of business and in accordance with the relevant provisions of Companies Act and all others applicable laws but there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. All related party transactions that we may enter into post-listing, will be subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act and the SEBI Listing Regulations. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. For details on the transactions entered by us, please refer to Chapter titled “*Restated Financial Statement*” beginning on page 153 of this Prospectus

**40. *We cannot assure you that we will be able to secure adequate financing in future on acceptable terms, in time, or at all.***

We may require additional funds in connection with future business expansion and development initiatives. In addition to our existing available funds, we may need additional sources of funding to meet these requirements, which may include entering into new debt facilities with lending institutions or raising additional debt in the capital markets. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants. Such financings could cause our debt-to-equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of any of our business development plans and this may affect our business and future results of operations.

**41. *We rely on third-party manufacturers for sale of some of our products. Any shortage and cessation in supply from these contract manufacturers could adversely affect our business, results of operations and cash flows.***

We rely upon third-party manufacturers for production of some of our products, such as filters, fittings, nozzles, components, accessories and allied products which forms part of the micro irrigation system that we sell. We rely on these contract manufacturers to manufacture some of the products that we sell, and our contract manufacturers, in turn, rely on third-party

suppliers for many of the components used in our products. We do not enter into any supply contract and accordingly, they do not supply these products to us on an exclusive basis. We are therefore subject to the risk that the third-party manufacturers may sell products to other buyers in or outside India. Thus, our manufacturing model presents risks on our ability to receive an adequate supply of quality products at acceptable prices. These risks include, delays of or disruptions in the supply of products, interruptions to the manufacturing operations of our contract manufacturers or third-party suppliers due to strikes, lockouts, work stoppages or other forms of labour unrest, breakdown or failure of equipment, earthquakes, floods, pandemics and other natural disasters as well as accidents and the need to comply with the directives of relevant governmental authorities, failures to comply with product specifications, insufficient quality and safety controls, significant adverse changes in the financial or business conditions of contract manufacturers, misappropriation of our intellectual property by our third-party manufacturers, etc. We intend to continue to build our relationships with certain of our contract manufacturers.

Any of these events could delay the successful and timely delivery of products that meet our quality, safety, security and other requirements. Although we believe we have maintained stable relationships with these manufacturing partners in the past, we cannot assure you that, if we are unable to source adequate quantities of products in a timely manner from our existing suppliers in the future, we will be able to find alternative manufacturers at acceptable prices and quality levels or at all. Our inability to do so may adversely affect our reputation, business, results of operations and cash flows.

**42. *If we pursue acquisitions, joint ventures and investments, we may not be able to successfully consummate favorable transactions or successfully integrate or leverage from such businesses.***

Sale of our products through project market requires us to participate in tenders floated by various agencies, government and semi-government organization, etc. While we believe we possess necessary manufacturing capabilities and our products meet quality specification that make us eligible to participate in these tenders, we may not be qualified on certain other parameters. Accordingly, as a strategy to increase our revenue from operations by participating in tender business, we may enter into joint venture or similar arrangement with companies engaged in the same or similar line of activities or with companies that meet necessary financial criteria. For instance, we entered into 2 (two) joint venture agreement with Vima Alliance Infra Private Limited on March 07, 2023, for the purpose of participating in tenders. However, this agreement become null and void as the tender for which the joint venture was formed was not awarded.

Therefore, we cannot assure you that the acquisitions or joint venture arrangements that we may enter in future will complete in the timing and manner anticipated, or at all.

**43. *Our administrative office, from where we operate, are taken on leave and license. Discontinuation of lease agreements may require us to vacate such premises which may have an adverse impact on our business continuity and profitability.***

The administrative office of our Company located at 206-Atlantis, opp. Genda circle, Vadodara – 390007, Gujarat is taken on leave and license basis from one of the members of the Promoter Group namely, Asmitaben Patel. If the agreement under which we occupy the premises is not renewed on terms and conditions that are favourable to us, or at all, we may suffer a disruption in our operations which could have an adverse effect on our business, financial condition and results of operations.

**44. *We are unable to trace certain corporate records pertaining to the build-up of Equity Shares held by certain of our Promoters.***

We are unable to trace certain statutory filings made by our Company with respect to change in registered office, change in the name of our Company and records with respect to transfer of shares.

We have placed reliance on alternate information to ascertain the changes. Further, certain statutory filings made by our Company contain discrepancies/errors with respect to details of transfer of Equity Shares. However, since then these Equity shares are held by the shareholders of the Company in demat. We cannot assure you that our Company will not be subjected to any liability on account of such discrepancies.

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all applicable statutory and regulatory compliances.

However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

For instance, there have been in the past certain errors in statutory filings and corporate records/statutory registers relating to the date mentioned in e-form MGT-7 with respect to date of transfers. Although the above discrepancies and errors were inadvertent, there can be no assurance that our Company will not be subjected to any liability on account of these discrepancies and errors. As we continue to grow, there can be no assurance that such deficiencies in our internal controls will not arise, giving rise to recurrences of such discrepancies / errors that could subject our Company to the applicable consequences under the Companies Act, which could adversely affect our business and reputation.

Date	From	To	Status
October 19, 1993	21, Arihant Darshan, VP Road, Mulund - Mumbai	World Trade Center, No. 1 Unit No. 6, 7th Floor, Cuffe parade Mumbai	RoC Forms not available
June 28, 2000	World Trade Center, No. 1 Unit No. 6, 7th Floor, Cuffe parade Mumbai	812-A, Embassy Centrenair Main Point, Mumbai - 400021	RoC Forms not available

#### Change in the name of the Company

Date	From	To	Status
Date of incorporation i.e., October 09, 1985	Silvassa Poly-Tex Industries (India) Private Limited	-	On incorporation
July 11, 1996	Silvassa Poly-Tex Industries (India) Private Limited	Silvassa Pipes Private Limited	RoC Form not available

#### Transfer of shares documents

The current promoter acquired the Company from the erstwhile promoters who in turn acquired the Equity shares from the previous promoter of the Company. Hence there has been multiply transfer in the ownership of the Company till the present day.

For instance, there have been in the past certain errors in statutory filings and corporate records/statutory registers relating to the date mentioned in e-form MGT-7 with respect to date of transfers i.e. the dates mentioned in the e-form MGT-7 relating to certain transfer of shares differ from the dates appearing the transaction statements of demat accounts of the transferors and transferees. The details of error in the transfer form are as follows:

Date of Registration of Transfer	Name of Transferor	No. of Shares Transferred	Name of Transferee	As per Demat Statement	Date of Transfer as per MGT-7
03/04/2019	Arun S. Goel	770	Bharatkumar Patel	03/04/2019	08/04/2019
02/04/2019	Laxmi Satypal Jain	3000	Dilipkumar Dholaria	02/04/2019	08/04/2019
02/04/2019	Sushma Anand Jain	4125	Bharatkumar Patel	02/04/2019	08/04/2019
02/04/2019	Madhav Arun Goel	1499	Dilipkumar Dholaria	02/04/2019	08/04/2019
02/04/2019	Madhav Arun Goel	84	Bharatkumar Patel	02/04/2019	08/04/2019
18/04/2019	Saurabh Arun Goel	886	Dhirajbhai Munjapara	18/04/2019	20/04/2019
09/12/2019	Saurabh Arun Goel	2682	Dhirajbhai Munjapara	09/12/2019	16/12/2019
09/12/2019	Arun S. Goel	452	Bharatkumar Patel	09/12/2019	16/12/2019
11/12/2019	Laxmi Satypal Jain	3274	Dilipkumar Dholaria	11/12/2019	16/12/2019
09/12/2019	Rina Virendra Jain	1876	Jasmin H. Barvaliya	09/12/2019	16/12/2019
17/12/2019	Sushma Anand Jain	2666	Bharatkumar Patel	17/12/2019	16/12/2019
09/12/2019	Madhav Arun Goel	700	Dilipkumar Dholaria	09/12/2019	16/12/2019
09/12/2019	Madhav Arun Goel	50	Bharatkumar Patel	09/12/2019	16/12/2019
06/10/2020	Laxmi Satypal Jain	1226	Dilipkumar Dholaria	06/10/2020	09/10/2020
06/10/2020	Sushma Anand Jain	709	Bharatkumar Patel	06/10/2020	09/10/2020
06/01/2021	Dhirajbhai Munjapara	3600	Bhanubhai Bhikhabhai Kunjadiya	06/01/2021	05/03/2021
22/03/2021	Dhirajbhai Munjapara	450	Sandip Shivabhai Raiyani	22/03/2021	05/03/2021
31/03/2021	Dhirajbhai Munjapara	455	Rajeshkumar Mansukhbhai Munjapara	31/03/2021	30/03/2022

Transfer document other than pertaining to transfer of shares detailed in page 71 & 72 of the Prospectus is not available with the Company.

Further our Company has taken necessary steps to rectify error in corporate records, such as the modification of relevant board resolutions and updating register of members of our Company.

Although, no show cause notice has been issued against our Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected.

**45. *Any adverse changes in regulations governing our business operations or products or the products of our end-customers, may adversely impact our business, prospects, results of operations and cash flows.***

Government regulations and policies of India can affect the demand for and availability of our products. We may incur and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies, could adversely affect our business, cash flows and results of operations. An adverse change in the regulations governing the development of our products and use of products by our customers may have an adverse impact on our operations.

We cannot assure you that we will be able to comply with such regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products.

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

After the issue our Promoters along with the Promoter group will continue to hold collectively 29.49% of the post Equity share capital of the Company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder's vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our Company. In addition to the above, our Promoter will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

**47. *Our Company has the right to use the brand name "Polysil" which is registered in the name of the erstwhile promoter group.***

The brand "Polysil" is not owned by our Company and our Company only has a non-exclusive right to use the brand name, trademarks, trade names, logos and similar proprietary rights of "Polysil" for the sole purpose of publicity and marketing of drip irrigation products (except HDPE pipes and PVC pipes) on a royalty free basis pursuant to the share purchase agreement entered on September 10, 2020 between the erstwhile promoters of our Company and the present Promoters. Further, where the Company use the brand name for any other product, all rights assigned to the Company for use of "Polysil" brand shall be revoked with immediate effect and the erstwhile promoters shall be entitled to compensation for any loss or damages caused to them. Subsequently, our Company acquired the machinery for manufacturing of HDPE pipes from the erstwhile promoters. Accordingly, our Company is using the brand name for the HDPE pipes manufactured by our Company.

We cannot assure that the erstwhile promoter would not further assign the brand name "Polysil" to any third party which may dilute our brand or that we may not be in breach of the agreement or understanding with the erstwhile promoters. Any termination of the right to use the brand "Polysil" or any dilution to the brand by any third party can have an adverse effect on our future financials or results of operations.

**48. *We generally do business with our customers on purchase order basis and do not enter into long term contracts with most of them.***

Our business is dependent on our continuing relationships with our customers who are our dealers, distributors and nodal agencies of the central and state government. Our Company neither has any long-term contract with any of customers. Further, our end customers are small farmers who requires our products to fulfill the irrigation requirements of for their farms. We sell them our products through various channels as and when they require and therefore there is no continuous order from them and thus, we are unable to build continuous long-term relationships. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of our channel partners or any disqualification by them of our products, may have an adverse effect on our revenues, cash flows and operations.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing



arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, please refer to the chapter titled **“Dividend Policy”** beginning on page 152 of this Prospectus.

**50. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds.***

We intend to utilize the Net Proceeds of the Offer as set forth in the chapter titled **“Objects of the Offer”** beginning on page 76 of this Prospectus. The funding requirements mentioned as a part of the objects of the Offer are based on internal management estimates in view of past expenditures and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies and since we have not presently entered into any definitive agreements for the use of Net Proceeds. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, we may also use funds for future businesses and products which may have risks significantly different from what we currently face or may expect. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment. For further details, please see chapter titled **“Objects of the Offer”** beginning on page 76 of this Prospectus

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

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

**52. *We have not commissioned an industry report for the disclosures made in the chapter titled ‘Industry Overview’ and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.***

We have not commissioned an industry report for the disclosures made in the chapter titled **‘Industry Overview’** beginning of page 94 and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Prospectus. Further, the industry data mentioned in this Prospectus or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Prospectus in this context.

**53. *Certain data mentioned in this Prospectus has not been independently verified.***

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

**54. *Our Promoters, Directors and Key Management Personnel or Senior Management Personnel may have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters may be interested in our Company to the extent of the Equity Shares held by them in our Company, and any dividends, bonuses or other distributions on such Equity Shares. For details of shareholding of our Promoters in our Company, see **“Capital Structure –Details of shareholding of our Promoters and members of the Promoter Group in our Company”** on page 63 of this Prospectus. We have also availed unsecured loan and/or deposits from certain of our Promoters, Directors and promoter group members. For details on such unsecured loan and/or deposits, see **“Restated Financial Statements”** on page 153 of this Prospectus. Our Promoters and Executive Directors are also interested to the extent of any related party transactions with our Company. For details on related party transactions, see **“Restated Financial Statements”** on page 153 of this Prospectus. Further, our Directors may be interested in our Company to the extent of their shareholding in our Company. For details of shareholding of our directors in our Company, see **“Our Management - shareholding of Directors in our Company”** on page 133 of this Prospectus.

**55. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

We propose to utilize the Net Proceeds for the purposes described in chapter titled “*Objects of the Offer*” on page 76. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

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

**56. *Our revenues and profits are dependent on several factors. Any adverse change in these factors or in combination of these factors may affect our business operations and the financial condition and consequently, our ability to pay dividends.***

Our revenues and profits are dependent on several factors such as expansion of new areas, retaining key managerial personnel, complying with various regulatory requirements, repeat orders from our customer, demand from the products, managing costs and expenses, general market conditions, etc.

For instance, our revenue from operation decreased by (31.08%) to ₹ 3,762.27 Lakhs for Fiscal 2022 from ₹ 5,458.80 Lakhs for Fiscal 2021. Any adverse change in these factors or a combination of these factors may adversely affect our business operations and financial condition.

**57. *There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our management and our board of Directors, though it shall be monitored by our Audit Committee.***

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above 10,000 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

For details, please refer Chapter titled “*Objects of the Offer*” beginning on page 76 of the Prospectus.

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

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

## **EXTERNAL RISK FACTORS**

**59. *The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could materially and adversely impact our business, financial condition, cash flows and results of operations.***

In late 2019, COVID-19 emerged and by March 11, 2020 was declared a global pandemic by The World Health Organization. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions, lock down of cities and closure of non-essential businesses. On March 24, 2020, the Government of India ordered a national lockdown in response to the spread of COVID-19. Although some governments are beginning to ease or lift these restrictions, the impacts from the severe disruptions caused by the effective shutdown of large segments of the global economy remain unknown and no prediction can be made of when any of the restrictions currently in place will be relaxed or expire, or whether or when further restrictions will be announced.

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our clients and service providers, which could adversely affect our business, financial condition and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our clients, and those of our respective service providers. There is currently substantial medical uncertainty regarding COVID-19. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown and it is possible that it could cause a global recession. The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed. The extent to which the COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. The degree to which COVID-19 impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company. The full extent to which the COVID-19 pandemic, or any future pandemic or widespread public health emergency impacts our business, operations and financial results will depend on numerous evolving factors that we may not be able to accurately predict, including: the scope, severity, and duration of the pandemic; actions taken by governments, business and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure; disruptions or restrictions on our employees' and suppliers' ability to work and travel; any extended period of remote work arrangements; and strain on our or our customers' business continuity plans, and resultant operational risk.

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

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

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause

increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

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

An outbreak of other infectious or virulent diseases, such as severe acute respiratory syndrome, the COVID-19 virus and its

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

**62. *Financial instability in Indian financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

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

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

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

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

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

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

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

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

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

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

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional

financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

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

Our Company is subject to various regulations and policies. For details refer to the Chapter titled “*Key Industry Regulations and Policies*” beginning on page 118 of this Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

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

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

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

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

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

**Risk Related to our Equity shares**

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

The Offer Price of the Equity Shares has been determined by our Company in consultation with the LM, and through the Fixed Issue Process. This price is based on numerous factors, as described under “*Basis for Offer Price*” beginning on page 83 of this Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

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

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

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

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

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts’ recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;

- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel or senior management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

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

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

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

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

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

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

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

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

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

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



of India.

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

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

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

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

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

Any future issuance of Equity Shares by us may dilute your shareholding in us. In addition, any sales of substantial amounts of the Equity Shares in the public market after the completion of the Issue, including by our Promoter or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could materially impair future ability of us to raise capital through offerings of the Equity Shares. After the completion of the Issue, our Promoters and Promoter Group will continue to hold 31.17 % of the outstanding Equity Shares. We cannot predict the effect, if any, that the sale of the Equity Shares held by our Promoter or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of the Equity Shares.

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

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

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

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

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

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

**82. *The requirements of being a listed Company may strain our resources.***

We are not a listed Company and have historically not been subjected to the compliance requirements and increased scrutiny

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

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

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

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a Company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

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

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

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

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

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

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

## SECTION - III –INTRODUCTION

### THE OFFER

The following table summarizes the Offer details:

PARTICULARS	DETAILS OF EQUITY SHARES
<b>Offer of Equity Shares by our Company</b>	Up to 32,28,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 54/- per Equity Share (including a share premium of ₹ 44 per Equity share) aggregating to maximum ₹ 1743.12 Lakhs.
<i>Consisting of</i>	
<b>Fresh Issue<sup>(i)</sup></b>	Up to 14,44,000 Equity Shares having face value of ₹ 10 each at a price of ₹ 54 per Equity Share (including a share premium of ₹ 44 per Equity share) aggregating ₹ 779.76 Lakhs.
<b>Offer for sale<sup>(ii)</sup></b>	Up to 17,84,000 Equity Shares having face value of ₹10 each at a price of ₹ 54 per Equity Share (including a share premium of ₹ 44 per Equity share) aggregating ₹ 963.36 Lakhs
<i>Consisting of</i>	
<b>Market Maker Reservation Portion</b>	1,64, 000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 54 /- per Equity Share (including a share premium of ₹ 44 per Equity share) aggregating to ₹ 88.56 Lakhs.
<b>Net Offer to The Public* <sup>(iii)</sup></b>	30,64,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 54/- per Equity Share (including a share premium of ₹ 44 per Equity share) aggregating to ₹ 1654.56 Lakhs.
<i>Out of which</i>	
<b>(a) Retail Individual Investors</b>	15,32,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 54 /- per Equity Share including a share premium of ₹ 44 per Equity share) aggregating to ₹ 827.28 Lakhs.
<b>(b) Other than Retail Individual Investors</b>	15,32,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 54 /- per Equity Share including a share premium of ₹ 44 per Equity share) aggregating to ₹ 827.28 Lakhs.
<b>Pre-and Post-Offer Equity Shares</b>	
<b>Equity Shares outstanding prior to the Offer</b>	98,97,090 Equity Shares of face value of ₹ 10.00/- each.
<b>Equity Shares outstanding after the Offer</b>	1,13,41,090 Equity Shares of face value of ₹10.00/- each.
<b>Use of Offer Proceeds</b>	For details, please refer chapter titled “ <i>Objects of the Offer</i> ” beginning on page 76 of this Prospectus.

\*Subject to finalisation of the Basis of Allotment, Number of shares may need to be adjusted for lot size upon determination of Offer price

Notes:

(i) The Offer has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 24, 2023 and by the Shareholder 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 August 17, 2023.

(ii) Since, the Offer is being made under Chapter IX of the SEBI ICDR Regulations, 2018, the requirement of Regulation 8 is not applicable and accordingly, the Selling Shareholders has confirmed that the Equity Shares proposed to be offered and sold in the Offer are therefore eligible in term of SEBI (ICDR) Regulations, 2018 and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third-party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale. For details, see “**Other Regulatory and Statutory Disclosures - Authority for the Offer**” on page 213 of this Prospectus. Each of the Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares are eligible for being offered for sale in terms of the SEBI ICDR Regulations. Each Selling Shareholders has, severally and not jointly, consented for the sale of their respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “**Other Regulatory and Statutory Disclosures – Authority for the Offer**” on page 213 of this Prospectus. The Selling Shareholders have consented to participate in the Offer for Sale in the following manner:

Sr. No.	Name of the Selling Shareholders	Date of Consent Letter	No. of Equity Shares	Amount (₹ in Lakhs)
1	Satishkumar Maniya	July 07, 2023	6,30,000	340.20
2	Sunilkumar Shah	July 07, 2023	6,30,000	340.20
3	Rameshbhai Kakadiya	July 07, 2023	5,24,000	282.96

*(iii) This offer is being made in terms of Regulation 253(2) under Chapter IX of the SEBI ICDR Regulations, 2018, as amended from time to time, which reads as under:*

*“In an issue made other than through the book building process, the allocation in the net offer category shall be made as follows:*

*(a) minimum fifty per cent to retail individual investors; and*

*(b) remaining to:*

*(i) individual applicants other than retail individual investors; and*

*(ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*

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

*Explanation - For the purpose of sub-regulation (2), if the retail individual investor category is entitled to more than fifty per cent. of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.”*

For further details, please refer chapter titled “**Offer Procedure**” beginning on page 233 of this Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

The following table set forth summary financial information derived from the Restated Financial Statements. The summary financial information presented below should be read in conjunction with “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 153 and 192 respectively of this Prospectus.

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

**POLYSIL IRRIGATION SYSTEMS LIMITED**

**CIN: U17100GJ1985PLC127398**

**Annexure I - Restated Statement of Assets and Liabilities**

(Amounts in INR Lakh, unless otherwise stated)

(Rs. In Lakhs)

Particulars	Annexure IV Note	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share Capital	3	989.71	989.71	45.50	45.50
(b) Reserves and Surplus	4	656.31	546.00	1,326.56	1,292.82
<b>Total</b>		<b>1,646.02</b>	<b>1,535.71</b>	<b>1,372.06</b>	<b>1,338.31</b>
<b>(2) Non-current liabilities</b>					
(a) Long-term Borrowings	5	133.80	169.98	209.95	132.28
(b) Defferred Tax Liabilities	6	98.75	77.92	(9.80)	(16.10)
(c) Other Long-term Liabilities	7	272.11	258.12	270.54	220.79
(d) Long-term Provision	8	18.90	22.72	46.16	31.02
<b>Total</b>		<b>523.56</b>	<b>528.74</b>	<b>516.85</b>	<b>368.00</b>
<b>(3) Current liabilities</b>					
(a) Short-term Borrowings	9	1,432.37	1,377.27	1,285.01	972.55
(b) Trade Payables	10				
- Due to Micro and Small Enterprises		299.31	195.53	266.91	283.74
- Due to Others		798.16	1,149.40	640.44	597.96
(c) Other Current Liabilities	11	808.80	586.77	409.07	560.15
(d) Short-term Provisions	12	163.27	158.04	126.45	57.76
<b>Total</b>		<b>3,501.91</b>	<b>3,467.01</b>	<b>2,727.88</b>	<b>2,472.16</b>
<b>Total Equity and Liabilities</b>		<b>5,671.49</b>	<b>5,531.46</b>	<b>4,616.80</b>	<b>4,178.47</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Property, Plant and Equipment and Intangible Assets					
(i) Property, Plant and Equipment	13.1	804.05	815.27	820.28	673.66
(ii) Intangible Assets	13.2	110.44	119.54	5.30	6.80
(c) Long-term loans & advances	14	-	-	-	50.00
(d) Other Non-current Assets	15	38.07	38.07	38.72	26.28
<b>Total</b>		<b>952.56</b>	<b>972.88</b>	<b>864.31</b>	<b>756.74</b>
<b>(2) Current assets</b>					
(a) Inventories	16	2,170.54	1,394.28	1,211.47	1,170.07
(b) Trade Receivables	17	2,158.69	2,810.87	2,169.99	1,813.17
(c) Cash and Cash Equivalents	18	64.12	88.81	93.30	107.21
(d) Short-term Loans and Advances	19	318.85	258.89	273.79	327.45
(e) Other Current Assets	20	6.73	5.73	3.94	3.83
<b>Total</b>		<b>4,718.93</b>	<b>4,558.58</b>	<b>3,752.49</b>	<b>3,421.72</b>
<b>Total Assets</b>		<b>5,671.49</b>	<b>5,531.46</b>	<b>4,616.80</b>	<b>4,178.47</b>

The above Restated Statement of Assets and Liabilities should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - IV and Statement of Adjustments to Audited Financial Statements appearing in Annexure - V.

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

**For RATAN CHANDAK & CO**

Chartered Accountants

Firm's Registration No. 108696W

Sd/-

**Jagadish Laxman Sate**

Partner

Membership No. 182935

UDIN: 24182935BKBIUG4676

Place: Navi Mumbai

Date: 29th January 2024

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

**POLYSIL IRRIGATION SYSTEMS LIMITED**

Sd/-

**Bharat Patel**

CEO & MD

07780251

Sd/-

**Aman Malpani**

CFO (KMP)

Sd/-

**Praful Radadia**

Director

09660425

Sd/-

**Neha Gupta**

Company Secretary

Place: Vadodara

Date: 29th January 2024



**POLYSIL IRRIGATION SYSTEMS LIMITED**

**CIN: U17100GJ1985PLC127398**

**Annexure II - Restated Statement of Profit and Loss**

**(Amounts in INR Lakh, unless otherwise stated)**

**(Rs. In Lakhs)**

Particulars	Annexure IV Note	For the year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from Operations	21	1,018.74	4,387.66	3,762.27	5,458.80
Other Income	22	1.00	4.83	4.94	12.78
<b>Total Income</b>		<b>1,019.74</b>	<b>4,392.49</b>	<b>3,767.21</b>	<b>5,471.58</b>
<b>Expenses</b>					
Cost Raw Material Consumed	23	740.95	2,038.09	1,402.96	1,885.78
Purchases of Stock in Trade	24	315.37	647.06	588.14	898.60
Change in Inventories of work in progress, finished goods and Stock in Trade	25	(772.04)	(149.62)	(147.88)	128.23
Employee Benefit Expenses	26	149.64	557.23	830.17	749.68
Finance Costs	27	56.55	148.22	148.95	113.64
Depreciation and Amortization Expenses	28	27.51	52.58	72.97	101.13
Other Expenses	29	328.28	832.90	803.60	1,490.68
<b>Total expenses</b>		<b>846.26</b>	<b>4,127.45</b>	<b>3,698.92</b>	<b>5,367.73</b>
<b>Restated profit/(Loss) before Exceptional and Extraordinary Item and Tax</b>		<b>173.48</b>	<b>265.04</b>	<b>68.29</b>	<b>103.85</b>
Exceptional Item					
<b>Restated profit/(Loss) before Extraordinary Item and Tax</b>		<b>173.48</b>	<b>265.04</b>	<b>68.29</b>	<b>103.85</b>
Extraordinary Item					
<b>Restated profit/(Loss) before Tax</b>		<b>173.48</b>	<b>265.04</b>	<b>68.29</b>	<b>103.85</b>
Tax Expenses	30				
- Current Tax		42.35	63.42	24.46	36.88
- Deferred Tax		20.82	87.72	6.30	2.04
- Short /(Excess) provision for income tax of earlier year		-	0.37	3.79	0.12
<b>Total Tax Expense</b>		<b>63.17</b>	<b>151.51</b>	<b>34.55</b>	<b>39.04</b>
<b>Restated profit/(Loss) after Tax</b>		<b>110.31</b>	<b>113.53</b>	<b>33.75</b>	<b>64.81</b>
Restated Earnings Per Share (Face Value per Share Rs.10 each)					
-Basic	31	1.11	1.15	0.34	0.66
-Diluted	31	1.11	1.15	0.34	0.66

The above Restated Statement of Profit and Loss should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - IV and Statement of Adjustments to Audited Financial Statements appearing in Annexure - V.

This is the Restated Statement of Profit and Loss referred to in our report of even date.

**For RATAN CHANDAK & CO**  
Chartered Accountants  
Firm's Registration No. 108696W

**For and on behalf of the Board of Directors of  
POLYSIL IRRIGATION SYSTEMS LIMITED**

Sd/-  
**Jagadish Laxman Sate**  
Partner  
Membership No. 182935  
UDIN: 24182935BKBIUG4676  
Place: Navi Mumbai  
Date: 29th January 2024

Sd/-  
**Bharat Patel**  
CEO & MD  
07780251

Sd/-  
**Praful Radadia**  
Director  
09660425

Sd/-  
**Aman Malpani**  
CFO (KMP)

Sd/-  
**Neha Gupta**  
Company Secretary

Place: Vadodara  
Date: 29th January 2024

**POLYSIL IRRIGATION SYSTEMS LIMITED**  
**CIN: U17100GJ1985PLC127398**  
**Annexure III - Restated Statement of Cash Flows**  
**(Amounts in INR Lakh, unless otherwise stated)**

(Rs. In Lakhs)

Particulars	Annexure IV Note	For the year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit after tax		131.14	201.25	40.05	66.85
Depreciation and Amortisation Expense		27.51	52.58	72.97	101.13
Provision for tax		42.35	63.79	28.25	37.00
Loss/(Gain) on Sale / Discard of Assets (Net)		-	-	-	-
Interest Expense (Interest Income)		(1.12)	(6.20)	(4.35)	(11.40)
Finance Costs		56.55	149.22	148.95	113.64
<b>Operating Profit before working capital changes</b>		<b>256.43</b>	<b>460.64</b>	<b>285.86</b>	<b>307.21</b>
Adjustment for:					
Inventories		(776.26)	(182.81)	(41.40)	41.60
Trade Receivables		652.18	(640.88)	(356.82)	(581.06)
Loans and Advances & Other Assets		(59.96)	22.51	91.22	219.50
Trade Payables		(247.46)	437.58	25.65	(14.04)
Other Liabilities		236.02	165.28	(101.33)	1.30
Other Provisions		1.42	(31.66)	74.18	8.74
Cash generated from Operations		62.36	230.66	(22.65)	(16.75)
Tax paid(Net)		(42.35)	(30.93)	(18.59)	(25.54)
<b>Net Cash from Operating Activities</b>		<b>20.02</b>	<b>199.73</b>	<b>(41.24)</b>	<b>(42.29)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Property, Plant and Equipment		(7.19)	(40.28)	(217.91)	(56.34)
Sale of Property, Plant and Equipment		-	-	-	-
Purchase of Intangible Assets		-	(121.52)	(0.18)	(4.20)
Proceed for Capital Work-in-progress		-	-	-	-
Bank balances not considered as cash and cash equivalents		23.17	(3.64)	(14.52)	(42.61)
Interest received		0.12	4.41	4.24	11.11
<b>Net Cash (Used in) Investing Activities</b>		<b>16.09</b>	<b>(161.04)</b>	<b>(228.37)</b>	<b>(92.04)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from Issue of Share Capital		-	50.12	-	15.84
Proceeds from Long Term Borrowings		-	-	287.63	236.79
Repayment of Long Term Borrowings		(36.18)	(39.97)	(236.79)	-
Proceeds from Short Term Borrowings		55.10	92.26	339.29	-
Repayment of Short Term Borrowings		-	-	-	10.22
Interest and Other Borrowing cost		(56.55)	(149.22)	(148.95)	(113.64)
<b>Net Cash (Used in) / Generated from Financing Activities</b>		<b>(37.63)</b>	<b>(46.81)</b>	<b>241.18</b>	<b>149.22</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>		<b>(1.52)</b>	<b>(8.12)</b>	<b>(28.43)</b>	<b>14.89</b>
Opening Balance of Cash and Cash Equivalents		6.66	14.78	43.21	28.32
<b>Closing Balance of Cash and Cash Equivalents</b>	18	<b>5.14</b>	<b>6.66</b>	<b>14.78</b>	<b>43.21</b>

The above Restated Statement of Cash Flows should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - IV and Statement of Adjustments to Audited Financial Statements appearing in Annexure - V.

This is the Restated Statement of Cash Flows referred to in our report of even date.

**For RATAN CHANDAK & CO**  
Chartered Accountants  
Firm's Registration No. 108696W

**For and on behalf of the Board of Directors of**  
**POLYSIL IRRIGATION SYSTEMS LIMITED**

Sd/-  
**Jagdish Laxman Sate**  
Partner  
Membership No. 182935  
UDIN: 24182935BKBIUG4676  
Place: Navi Mumbai  
Date: 29th January 2024

Sd/-  
**Bharat Patel**  
CEO & MD  
07780251

Sd/-  
**Praful Radadia**  
Director  
09660425

Sd/-  
**Aman Malpani**  
CFO (KMP)

Sd/-  
**Neha Gupta**  
Company Secretary

Place: Vadodara  
Date: 29th January 2024

## GENERAL INFORMATION

Our Company was originally incorporated as a private company in the name and style of “Silvassa Poly-Tex Industries (India) Private Limited” under the Companies Act, 1956 vide certificate of incorporation dated October 09, 1985 issued by the Registrar of Companies, Maharashtra. Subsequently, the name of our Company was changed to “Silvassa Pipes Private Limited” pursuant to the special resolution passed by the Shareholders of our Company at the extra-ordinary general meeting held on June 6, 1996. The Registrar of Companies, Maharashtra, Mumbai issued a fresh certificate of incorporation dated July 11, 1996, upon change of the name of the Company. Further, the name of our Company was changed to “Polysil Irrigation Systems Private Limited” pursuant to the special resolution passed by the Shareholders of our Company at the extra-ordinary ordinary general meeting held on November 8, 2010 and the Registrar of Companies, Maharashtra, Mumbai issued a fresh certificate of incorporation dated January 03, 2011, upon change of the name of the Company. Our Company was then converted into a public limited company pursuant to the special resolution passed by the Shareholders of our Company at the extra-ordinary ordinary general meeting held on December 13, 2022 and consequently upon conversion, the name of our Company was changed to “Polysil Irrigation Systems Limited” vide a fresh certificate of incorporation dated December 27, 2022 issued by the Registrar of Companies, Ahmedabad. For further details, please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 125 of this Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

#### Polysil Irrigation Systems Limited

Survey No- 340/1, Beside Hystuff Steel,

At Post Raniya, Taluka Savli,

District Vadodara,

Gujarat, India, 391780

**Tel No:** (02667) 244271/2

**Email:** [secretarial@polysilirrigation.com](mailto:secretarial@polysilirrigation.com)

**Website:** <https://polysilirrigation.com/>

**Corporate Identification Number:** U17100GJ1985PLC127398

**Registration Number:** 127398

### ADDRESS OF THE REGISTRAR OF COMPANIES

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

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

### BOARD OF DIRECTORS OF OUR COMPANY

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

Name	DIN	Designation	Address
Bharatkumar Patel	07780251	Managing Director and Chief Executive Officer (CEO)	D-601, Samsara Luxury Apartment, Chhani Jakat Naka, Vadodara - 390024, Gujarat, India
Prafulbhai Radadia	09660425	Whole-Time Director	A/104, Pramukh Preet Residency, T.P-13 Chhani Jakat Naka, Vadodara, Gujarat - 390002, India
Anilkumar Singh	07527765	Non-Executive Director	D-602, Samsara Luxury Apartments, TP-13 Chhani Canal Road, Chhani Jakat Naka, Vadodara, Gujarat-390024, India
Bipinkumar Hirpara	08249274	Non-Executive Independent Director	B-902, Swapna Sangini, B/H. Nandanvan 2, Vesu, Vip Road, Surat – 395 007, Gujarat, India
Mona Patel	10042161	Non-Executive Independent Director	A/7, Upvan Society, VIP Road, Near Ayodhya Nagar, Vadodara – 390 018, Gujarat, India

For detailed profile of our Board of Directors, please refer to the chapter titled “*Our Management*” beginning on page 133 of this Prospectus.

### CHIEF FINANCIAL OFFICER

#### Aman Malpani

Survey No- 340/1, Beside Hystuff Steel,

At Post Raniya, Taluka Savli,  
District Vadodara, Gujarat, India, 391780  
**Tel No:** (02667) 244271/2

**Email:** [audit@polysilirrigation.com](mailto:audit@polysilirrigation.com)

**Website:** <https://polysilirrigation.com/>

#### **COMPANY SECRETARY & COMPLIANCE OFFICER**

**Neha Gupta**

Survey No- 340/1, Beside Hystuff Steel,  
At Post Raniya, Taluka Savli,  
District Vadodara, Raniya Taluka Savli,  
Vadodara, Gujarat, India, 391780

**Tel No:** (02667) 244271/2

**Email:** [secretarial@polysilirrigation.com](mailto:secretarial@polysilirrigation.com)

**Website:** <https://polysilirrigation.com/>

#### **INVESTOR GRIEVANCES**

**Investors may contact the Company Secretary and the Compliance Officer or the Registrar to the Offer in case of any pre-Issue or post-Issue related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints, investors may also write to the Lead Manager.**

All Issue related grievances relating to the ASBA process and UPI payment mechanism may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or the first applicant, Application Form Number, Applicant's DP ID, Client ID, UPI ID, PAN, date of the Application Form, address of the Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Applicants who make the payment of Application amount thorough the UPI Mechanism), date of Application Form, and the name and address of the Designated Intermediary(ies) where the ASBA Form was submitted by the ASBA Applicant. Further, the Applicant shall enclose the acknowledgment slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All grievances relating to Application submitted through Registered Brokers may be addressed to the Stock Exchange with a copy to the Registrar to the Issue. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any Applicants whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SCSBs are required to compensate the investor immediately on the receipt of the complaint. Further, the post offer lead manager is required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

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

<b>LEAD MANAGER TO THE OFFER</b>	<b>REGISTRAR TO THE OFFER</b>
<b>FEDEX SECURITIES PRIVATE LIMITED</b> B 7, 3 <sup>rd</sup> Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India <b>Tel No:</b> +91 8104985249 <b>Contact Person:</b> Saipan Sanghvi <b>Email Id:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Investor Grievance Email:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>SEBI Registration Number:</b> INM000010163	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> Office No. S6 - 2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri - [East], Mumbai - 400093, Maharashtra, India. <b>Tel No:</b> +91 22 6263 8200 <b>Fax No:</b> +91 22 6263 8299 <b>E-mail Id:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Babu Rapheal C <b>SEBI Registration No:</b> INR000001385

LEGAL ADVISOR TO THE OFFER	BANKERS TO THE ISSUE / REFUND BANK / SPONSOR BANK
<b>J. R. Legal, Advocates &amp; Associates</b> 106A, 1 <sup>st</sup> Floor, Vikas Building, 11th Bank Street, Fort, Mumbai-400 001 <b>Tel No:</b> +91- 7738985019/ 9769273834 <b>E-mail Id:</b> <a href="mailto:rathod.jayesh825@gmail.com">rathod.jayesh825@gmail.com</a> / <a href="mailto:hjc.compliance@gmail.com">hjc.compliance@gmail.com</a> <b>Contact Person:</b> Jayesh Rathod <b>Bar Council No.:</b> MAH/4461/2014	<b>ICICI Bank Limited</b> Capital Market Division, 163, 5th Floor H.T. Parekh Marg, Backbay Reclamation, Churchgate Mumbai-400 020 Maharashtra, India <b>Tel No:</b> 022- 6805 2182 <b>E-mail Id:</b> <a href="mailto:ipocmg@icicibank.com">ipocmg@icicibank.com</a> <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a> <b>Contact Person:</b> Varun Badal <b>SEBI Registration No:</b> INBI00000004
BANKERS TO THE COMPANY	
<b>UNION BANK OF INDIA</b> 16, Navdurga, Co-op Housing Society, National Highway 8, Nizampura District Baroda, Gujarat <b>Tel No:</b> +0265 2792871/ 2783718 <b>E-mail Id:</b> <a href="mailto:ubin0535028@unionbankofindia.bank">ubin0535028@unionbankofindia.bank</a> <b>Website:</b> <a href="http://www.unionbankofindia.co.in">www.unionbankofindia.co.in</a> <b>Contact Person:</b> Amit Kumar	<b>HDFC BANK LTD.</b> Ground Floor, Kanha Capital, R C Dutt Road, Vadodara – 390007 <b>Tel. No.:</b> +265-7191501 <b>Email:</b> <a href="mailto:neeketa.thakur@hdfcbank.com">neeketa.thakur@hdfcbank.com</a> <b>Website:</b> <a href="http://www.hdfcbank.com">www.hdfcbank.com</a> <b>Contact Person:</b> Rupam Dabodhia
UNDERWRITERS TO THE ISSUE	
<b>FEDEX SECURITIES PRIVATE LIMITED</b> B7, 3 <sup>rd</sup> Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400 057, Maharashtra, India <b>Tel No:</b> +91 8104985249 <b>Contact Person:</b> Saipan Sanghvi <b>Email Id:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Investor Grievance Email:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>SEBI Registration Number:</b> INM000010163	<b>PURE BROKING PRIVATE LIMITED</b> Unit No. 305A, 3rd Floor, Tower A. WTC Gift City. Road SE. Zone 5, GIFT City, Gandhinagar. Gujarat 382355, India <b>Tel No:</b> 7043999003 <b>Contact Person:</b> Agam Vikram Mehta <b>Email Id:</b> <a href="mailto:agam@purebroking.com">agam@purebroking.com</a> <b>Website:</b> <a href="http://www.purebroking.com">http://www.purebroking.com</a> <b>Investor Grievance Email:</b> <a href="mailto:complaints@broking.com">complaints@broking.com</a> <b>SEBI Registration Number:</b> INZ000163631
MARKET MAKER TO THE ISSUE	STATUTORY AUDITOR AND PEER REVIEW AUDITOR
<b>MARKET-HUB STOCK BROKING PRIVATE LIMITED</b> B-230-231, International Trade Center (ITC) Majuragate Crossing, Ring Road, Surat, 395002, Gujarat, India <b>Tel No:</b> +91 8140934000 <b>Contact Person:</b> Kirtik Y Chag <b>Email Id:</b> <a href="mailto:compliance@markethubonline.com">compliance@markethubonline.com</a> <b>Website:</b> <a href="https://www.markethubonline.com/">https://www.markethubonline.com/</a> <b>Investor Grievance Email:</b> <a href="mailto:compliance@markethubonline.com">compliance@markethubonline.com</a> <b>SEBI Registration Number:</b> INZ000010163	<b>Ratan Chandak &amp; Co., Chartered Accountant</b> 1701, Haware Infotech Park, Plot No. 39/3, Sector-30A, Nr. Vashi Rly Stn, Navi Mumbai, Navi Mumbai – 400705, Maharashtra, India <b>Tel No:</b> 022 2781 2246/48 <b>E-mail Id:</b> <a href="mailto:info@vpalkar.com">info@vpalkar.com</a> <b>Website:</b> <a href="http://www.rcnco.net">http://www.rcnco.net</a> <b>Contact Person:</b> CA Vighnesh Palkar <b>Firm Registration No:</b> 108696W <b>Membership No:</b> 131539 <b>Peer Review Number:</b> 015016

#### SYNDICATE MEMBER

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

#### DESIGNATED INTERMEDIARIES

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

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 Applicant (other than an UPI Applicant using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

#### SCSBS AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM

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 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, Retail Individual Applicant using the UPI Mechanism may apply through the SCSBs and mobile applications whose names

appears on the website of the SEBI, UPI Applicants Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI Mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and is also available on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> for SCSBs and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> for mobile applications or at such other websites as may be prescribed by SEBI from time to time.

#### **SYNDICATE SCSB BRANCHES**

In relation to the Issue submitted under the ASBA process 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 Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time or any other website prescribed by SEBI from time to time.

#### **REGISTERED BROKERS**

Applicants can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers who are eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

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

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI, and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. The link to the list of RTAs is also provided on the websites of the Stock Exchanges at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx) and [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm) respectively, as updated from time to time.

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

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

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

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

#### **IPO GRADING**

No credit agency registered with SEBI has been appointed for grading for this Issue.

#### **CREDIT RATING**

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

#### **DEBENTURE TRUSTEES**

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

#### **GREEN SHOE OPTION**

No Green Shoe Option is applicable for this Offer.

#### **MONITORING AGENCY**

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Free Issue size is below 10,000 Lakh. Our Company has not appointed any monitoring agency for this Offer. 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 Fresh Issue.

#### **APPRAISING ENTITY**

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

#### **EXPERT OPINION**



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

Our Company has received written consent from the Statutory Auditor namely, Ratan Chandak & CO., Chartered Accountant, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as an “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their Report on Restated Financial Statements dated January 29, 2024 and Report on Statement of Tax Benefits dated January 24, 2024 and issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

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

Our Company has received written consent dated July 13, 2023, from Ramesh V. Vaghela, Independent Chartered Engineer, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Independent Chartered Engineer, and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under Securities Act.

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

A soft copy of the Draft Prospectus has been and a soft copy of this Prospectus will be filed with SME Platform of NSE. The Prospectus shall not be filed with SEBI, nor shall SEBI issue any observation on the Issue Document in terms of Regulation 246(2) of SEBI ICDR Regulations.

However, pursuant to Regulation 246(5), the soft copy of Prospectus shall be submitted to SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus shall be filed online with the SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

#### **TYPE OF OFFER**

The present issue is considered to be 100% Fixed Price Offer.

#### **UNDERWRITERS**

The Underwriting Agreement has not been executed as on the date of this Prospectus. After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. 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 January 23, 2024. The Underwriters have indicated their intention to underwrite the following number of Equity Shares

<b>Name, Address, Telephone, Facsimile, and Email of the Underwriters</b>	<b>Indicated number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten (in Lakh)</b>	<b>% of the total Offer size Underwritten</b>
<b>Pure Broking Private Limited</b> Unit No. 305A, 3rd Floor, Tower A. WTC Gift City. Road SE. Zone 5, GIFT City, Gandhinagar. Gujarat 382355, India <b>Tel No:</b> 7043999003 <b>Contact Person:</b> Agam Vikram Mehta <b>Email Id:</b> <a href="mailto:agam@purebroking.com">agam@purebroking.com</a> <b>Website:</b> <a href="http://www.purebroking.com">http://www.purebroking.com</a> <b>Investor Grievance Email:</b> <a href="mailto:complaints@broking.com">complaints@broking.com</a> <b>SEBI Registration Number:</b> INZ000163631	27,42,000	1480.68	84.96%
<b>FEDEX SECURITIES PRIVATE LIMITED</b> B7, 3 <sup>rd</sup> Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400 057, Maharashtra, India <b>Tel No:</b> +91 8104985249 <b>Contact Person:</b> Saipan Sanghvi <b>Email Id:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Investor Grievance Email:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>SEBI Registration Number:</b> INM000010163	4,86,000	262.44	15.06%
<b>TOTAL</b>	32,89,000*	1743.12	100.00%

\*Includes 1,64,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order



to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

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

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

Name & Address of the Auditor	Date of Appointment	Date of Resignation	Reason for resignation
<b>Jayantilal Thakkar &amp; Co., Chartered Accountants</b> 111-A, Mahatma Gandhi Road, Fort, Mumbai – 400023, Maharashtra, India. <b>Tel No:</b> 022 2265 8800 <b>E-mail Id:</b> <a href="mailto:jtco@vsnl.net">jtco@vsnl.net</a> <b>Contact Person:</b> CA C V Thakker <b>Firm Registration No:</b> 104133W <b>Membership No:</b> 005369	August 20, 2014	August 28, 2019	Due to change in Shareholding and Management of the Company.
<b>C N K &amp; Associates LLP</b> C 201-202, Shree Siddhi Vinayak Complex, Faramji Road, Alkapuri, Opp Alkapuri Side Rly Stn, Vadodara – 390005, Gujarat, India. <b>Tel No:</b> 0265 2343483 <b>E-mail Id:</b> <a href="mailto:vadodara@cnkindia.com">vadodara@cnkindia.com</a> <b>Contact Person:</b> CA Preen Shah <b>Firm Registration No:</b> 101961W / W-100036 <b>Membership No:</b> 125011	September 30, 2019	February 11, 2023	Non-acceptance of revision in fees
<b>Ratan Chandak &amp; CO., Chartered Accountants</b> 1701, Haware Infotech Park, Plot No. 39/3, Sector-30A, Nr. Vashi Rly Stn, Navi Mumbai – 400705, Maharashtra, India <b>Tel No:</b> 022 2781 2246/48 <b>E-mail Id:</b> <a href="mailto:info@vpalkar.com">info@vpalkar.com</a> <b>Website:</b> <a href="http://www.rcnco.net">http://www.rcnco.net</a> <b>Contact Person:</b> CA Vighnesh Palkar <b>Firm Registration No:</b> 108696W <b>Membership No:</b> 131539 <b>Peer Review Number:</b> 015016	March 6, 2023	NA	NA

#### WITHDRAWAL OF THE OFFER

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

If our Company withdraws the Offer any time after the Offer Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Offer Closing Date, providing reasons for not proceeding with the Offer. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchange will also be informed promptly. The Lead Manager, through the Registrar to the Offer, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction.

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

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

#### TYPE OF OFFER

The present Offer is considered to be 100% Fixed Price Offer.

#### MIGRATION TO MAIN BOARD

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board of NSE from the EMERGE Platform of NSE (NSE EMERGE) on a later date subject to the terms of migration provided by NSE.

## DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS OFFER

The Market Maker Agreement has not been executed as on the date of this Prospectus. After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company, Lead Manager and Market Maker

The following Market Maker to fulfill the obligations of Market Making for this Offer:

<b>Name</b>	Market Hub Stock Broking Private Limited
<b>Address</b>	B-230-231, International Trade Center (ITC) Majuragate Crossing, Ring Road, Surat- 395002, Gujarat, India
<b>Tel no</b>	+91 8140934000
<b>Email id</b>	<a href="mailto:compliance@markethubonline.com">compliance@markethubonline.com</a>
<b>Website</b>	<a href="https://www.markethubonline.com/">https://www.markethubonline.com/</a>
<b>Investor Grievance Id</b>	<a href="mailto:compliance@markethubonline.com">compliance@markethubonline.com</a>
<b>Contact person</b>	Kirtik Y Chag
<b>Sebi Registration no</b>	INZ000211837
<b>Market Making Registration No.</b>	INZ000211837

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated January 11, 2024 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares issued in this issue.

Market Hub Stock Broking Private Limited, registered with EMERGE Platform of National Stock Exchange of India Limited will act as the market maker and have agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

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

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

1. The Market Maker(s) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by the Market Maker shall be in compliance with the Market Maker spread requirements and other particulars as specified or as per the requirements of NSE and SEBI from time to time.
3. The minimum depth of the quote shall be Rs. 1.00 Lakh. However, the investors with holdings of value less than 1.00 Lakh shall be allowed to offer their holdings to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of Rs. 54/- per share the minimum bid lot size is 2000 Equity Shares thus minimum depth of the quote shall be 1.00 Lakh until the same, would be revised by EMERGE Platform of National Stock Exchange of India Limited.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. or upper limit (Including the 5% of Equity Shares ought to be allotted under this Offer). Any Equity Shares allotted to Market Maker under this Offer over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
5. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the Offer size and as follows:

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

6. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.

8. There would not be more than five Market Makers for a scrip at any point of time. These would be selected on the basis of objective criteria to be evolved by the Exchange which would include capital adequacy, net worth, infrastructure, minimum volume of business etc. The Market Makers may compete with other Market Maker for better quotes to the investors. At this stage, Market Hub Stock Broking Private Limited is acting as the sole Market Maker.
9. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
10. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
11. The Equity Shares of our Company will be traded in continuous trading session from the time and day our company gets listed on EMERGE Platform of National Stock Exchange of India Limited and the Market Maker will remain present as per the guidelines mentioned under National Stock Exchange of India Limited and SEBI circulars.
12. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
13. Once registered as a Market Maker, he has to act in that capacity for a period as mutually decided between the Lead Manager and Market Maker. Once registered as a Market Maker, he has to start providing quotes from the day of the listing/the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the Stock Exchange.
14. The Market Maker shall have the right to terminate said arrangement by giving a three-month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.
15. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Market Maker does not exceed five (5) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
16. **Risk containment measures and monitoring for Market Makers:** In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with NSE EMERGE to fulfil the obligations of Market Making) dated January 11, 2024 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares issued in this Offer. EMERGE Platform of National Stock Exchange of India Limited will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
17. **Punitive Action in case of default by Market Makers:** EMERGE Platform of National Stock Exchange of India Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
18. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
19. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
  - In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

20. Additionally, the trading shall take place in TFT segment for first 10 days from the commencement of trading. The following spread will be applicable on the EMERGE Platform of National Stock Exchange of India Limited.

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

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

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

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Prospectus is set forth below:

*Amount (₹ in Lakhs except share data)*

Sr. No.	Particulars	Aggregate Nominal Value	Aggregate value at Offer Price
<b>A.</b>	<b>AUTHORISED EQUITY SHARE CAPITAL</b>		
	1,45,00,000 Equity Shares of face value of ₹ 10.00/- each	1,450.00	-
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER</b>		
	98,97,090 Equity Shares of face value of ₹ 10.00/- each	989.71	-
<b>C.</b>	<b>PRESENT OFFER IN TERMS OF THIS PROSPECTUS*</b>		
	Up to 32,28,000 Equity Shares of ₹ 10.00/- each for cash at price of ₹ 54 per equity share (including a share premium of ₹ 44 per Equity share)	322.80	1743.12
	Which consist of		
	Fresh Issue up to 14,44,000 Equity Shares having face value of ₹ 10 each at a price of ₹ 54 per equity share (including a share premium of ₹ 44 per Equity share)	144.40	779.76
	Offer for Sale up to 17,84,000 Equity Shares having face value of ₹ 10 each at a price of ₹ 54 per equity share (including a share premium of ₹ 44 per Equity share)	178.40	963.36
	<b>Of which:</b>		
	<b>Market Maker Reservation portion:</b> 1,64,000 Equity Shares of Rs. 10.00/- each for cash at price of ₹ 54 per equity share (including a share premium of ₹ 44 per Equity share) reserved for allocation to Market Maker	16.40	88.56
	<b>Net Offer to the Public:</b> 30,64,000 Equity Shares of ₹ 10.00/- each for cash at price of ₹ 54 per equity share (including a share premium of ₹ 44 per Equity share) per share	306.40	1654.56
	<b>Of which: ***</b>		
	<b>Allocation to Retail Individual Investor:</b> Up to 15,32,000 Equity Shares of face value of ₹ 10.00/- each fully paid up for a cash price of ₹ 54 per equity share (including a share premium of ₹ 44 per Equity share) i.e., 50% of the Net Offer shall be available for allocation to Retail Individual Investors	153.20	827.28
	<b>Allocation to Other than Retail Individual Investors:</b> Up to 15,32,000 Equity Shares of face value of ₹ 10.00/- each fully paid up for a cash price of ₹ 54 per equity share (including a share premium of ₹ 44 per Equity share) i.e., 50% of the Net Offer shall be available for allocation to other than Retail Individual Investors	153.20	827.28
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER</b>		
	11,341,090 Equity Shares of face value of ₹ 10.00 each		1134.11
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Offer as on the date of this Prospectus		Nil
	After the Offer		635.36

\* The present Offer has been authorized pursuant to a resolution of our Board of Directors July 24, 2023 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extraordinary General Meeting of the members held on August 17, 2023.

Each of the Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares are eligible for being offered for sale in terms of the SEBI ICDR Regulations. Each Selling Shareholders has, severally and not jointly, consented for the sale of their respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “**Other Regulatory and Statutory Disclosures – Authority for the Offer**” on page 213 of this Prospectus.

\*\*\*Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Offer Price. Under subscription, if any, in any of the categories, would be allowed to be met with spillover from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

## Class of Shares

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

## NOTES TO THE CAPITAL STRUCTURE

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

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

Particulars of change	Date of shareholders' Resolution	AGM/EOGM
The Authorized Share Capital of our Company is ₹ 5,00,000 consisting of 5,000 Equity Shares of face value of ₹ 100.00/- each	On Incorporation	NA
Increase in Authorized Share Capital from ₹ 5,00,000 consisting of 5,000 Equity Shares of face value of ₹ 100.00/- each to ₹ 20,00,000 consisting of 20,000 Equity Shares of face value of ₹ 100.00/- each.	July 7, 1987	EOGM
Increase in Authorized Share Capital from ₹ 20,00,000 consisting of 20,000 Equity Shares of face value of ₹ 100.00/- each to ₹ 50,00,000 consisting of 50,000 Equity Shares of face value of ₹ 100.00/- each.	December 20, 1994	EOGM
Increase in Authorized Share Capital from ₹ 50,00,000 consisting of 50,000 Equity Shares of face value of Rs. 100.00/- each to ₹ 70,00,000 consisting of 70,000 Equity Shares of face value of ₹ 100.00/- each.	February 10, 1995	EOGM
Sub-division of each Equity Share of our Company having face value of Rs. 100/- each into Equity Shares of ₹ 10/- each. Pursuant to the sub-division, the Authorized Share Capital from ₹ 70,00,000 consisting of 70,000 Equity Shares of face value of ₹ 100.00/- each to ₹ 70,00,000 consisting of 7,00,000 Equity Shares of face value of ₹ 10.00/- each.	December 13, 2022	EOGM
Increase in Authorized Share Capital from ₹ 70,00,000 consisting of 7,00,000 Equity Shares of face value of ₹ 10.00/- each to ₹ 14,50,00,000 consisting of 1,45,00,000 Equity Shares of face value of ₹ 10.00/- each.	December 13, 2022	EOGM

### 2. History of issued and paid-up Share Capital of our Company

a. The following is the history of the Equity Share Capital of our Company:

Date of Allotment/ Issue	Number of Equity Shares allotted	Face value (in ₹)	Offer Price (in ₹)	Nature of Consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital (in ₹)
On Incorporation	100	100.00	100.00	Cash	Subscription to MOA <sup>(i)</sup>	100	10,000
April 15, 1987	350	100.00	100.00	Cash	Further Issue <sup>(ii)</sup>	450	45,000
March 31, 1995	59,550	100.00	100.00	Cash	Further Issue <sup>(iii)</sup>	60,000	6,000,000
May 3, 2013	(15,000)	100.00	3567.00	Other than Cash	Buy-Back <sup>(iv)</sup>	45,000	4,500,000
March 27, 2021	499	100.00	3174.00	Cash	Rights Issue <sup>(v)</sup>	45,499	4,549,900
October 15, 2022	1,630	100.00	3075.00	Cash	Preferential Issue <sup>(vi)</sup>	47,129	4,712,900
Pursuant to Shareholders' resolution dated December 13, 2023 the face value of Equity Shares of our Company was subdivided from 100.00 per Equity Share to 10.00 per Equity Share. Therefore, 70,000 equity shares of our Company of face value of ₹ 100 each was sub-divided into 7,00,000 equity shares of face value of ₹10 each and after sub-division the paid-up share capital was as follows:							
Post Sub-division	471,290	10.00	-	-	-	471,290	4,712,900
February 16, 2023	94,25,800	10.00	NA	Other than Cash	Bonus Issue <sup>(vii)</sup>	9,897,090	98,970,900

i. Initial Subscribers to the MOA subscribed to 100 Equity Shares of face value of Rs. 100.00/- each as per the details given below:

Sr. No.	Name	No. of Equity Shares
1.	Rajan Arora	50
2.	Mangilal Shah	50
<b>Total</b>		<b>100</b>

ii. Further Issue as on April 15, 1987 of 350 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Rajan Arora	50
2.	Mangilal Shah	50
3.	Shreegopal Arora	50
4.	Pannalal Narula	50
5.	Ajay Narula	50
6.	Vijay Narula	50
7.	Saloni Narula	50
<b>Total</b>		<b>350</b>

iii. Further Issue as on March 31, 1995 of 59,550 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Arun Goel	8,000
2.	Kusum Goel	21,550
3.	Laxmi Jain	10,000
4.	Rina Jain	10,000
5.	Sushma Jain	10,000
<b>Total</b>		<b>59,550</b>



- iv. Buy-Back of Shares as on May 3, 2013 of 15,000 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Arun Goel	2,050
2.	Kusum Goel	2,950
3.	Saurabh Goel	1,250
4.	Madhav Goel	1,250
5.	Laxmi Jain	2,500
6.	Rina Jain	2,500
7.	Sushma Jain	2,500
<b>Total</b>		<b>15,000</b>

- v. Rights Issue as on March 27, 2021 of 499 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Dilipkumar Dholaria	112
2.	Bharatkumar Patel	100
3.	Varsha Vasiyani	25
4.	Jasmin Barvaliya	87
5.	Prafulbhai Radadia	25
6.	Dhirajbhai Munjapara	55
7.	Sandip Raiyani	5
8.	Vinodbhai Dobariya	25
9.	Nareshkumar Virja	25
10.	Bhanubhai Kunjadiya	40
<b>Total</b>		<b>499</b>

- vi. Preferential Issue as on October 15, 2022 of 1630 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Chiragkumar Kheni	489
2.	Bhavesh Dholiya	1141
<b>Total</b>		<b>1,630</b>

- vii. Bonus Issue as on February 16, 2023 of 94,25,800 Equity Shares in the ratio of 20 (Twenty) Equity Shares for every 1 (One) Equity Share held of face value of Rs 10.00/- each fully paid-up Equity Shares. The details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Sunilkumar Shah	1,213,200
2.	Satishkumar Maniya	1,213,000
3.	Rameshbhai Kakadiya	1,213,400
4.	Dholiya Bhavesh	228,200
5.	Chiragkumar Kheni	97,800
6.	Bharatkumar Patel	2,730,000
7.	Prafulbhai Radadia	455,000
8.	Payal Jain	910,000
9.	Ashaben Katrodiya	182,000
10.	Bhagwanbhai Katrodiya	273,200
11.	Linaben Katrodiya	273,000
12.	Rashmita Katrodiya	182,000
13.	Nareshkumar Virja	455,000
<b>Total</b>		<b>9,425,800</b>

b. **Issue of Equity Shares for Consideration other than Cash.**

Except as stated below, our Company has not issued any Equity Shares for consideration other than cash. Further, certain benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash.

Date of Issue/ Allotment	No. of Equity shares Allotted	Face Value (₹)	Offer Price (₹)	Reason for Allotment	Name of Allottees	No. of Shares Allotted	Benefits Accrued
February 16, 2023	9,425,800	10.00	NA	Bonus Issue	Sunilkumar Shah	1,213,200	Capitalization of Reserves & Surplus
					Satishkumar Maniya	1,213,000	
					Rameshbhai Kakadiya	1,213,400	
					Dholiya Bhavesh	228,200	
					Chiragkumar Kheni	97,800	
					Bharatkumar Patel	2,730,000	
					Prafulbhai Radadia	455,000	
					Payal Jain	910,000	
					Ashaben Katrodiya	182,000	
					Bhagwanbhai Katrodiya	273,200	
					Linaben Katrodiya	273,000	
					Rashmita Katrodiya	182,000	
Nareshkumar Virja	455,000						

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

Except the Bonus Issue of 9,425,800 Equity Shares on February 16, 2023, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Prospectus.

4. **Issue of equity shares pursuant to schemes of arrangement**

Our Company has not issued or allotted any equity shares pursuant to schemes of arrangement approved under Sections 391 - 394 of the erstwhile Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.

5. We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
6. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees.
7. As on the date of this Prospectus, our Company does not have any preference share capital.

8. **Shareholding Pattern of our Company and the Equity Shares held by them is as follow:**

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

The table below represents the current Shareholding pattern of our Company as on the date of this 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 Depository Receipts (VI)	Total No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR,1957 (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI = VII + X)	Number of Locked in shares (XII)		No. of shares Pledged or Otherwise Encumbered (XIII)		No. of Equity shares held in Demat Form (XIV)
								No of voting Right	Total as % of (A+B+C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
<b>A</b>	Promoters and Promoters Group	3	35,35,350	--	--	35,35,350	35.72	35,35,350	35.72	--	--	--	--	--	--	35,35,350
<b>B</b>	Public	52	63,61,740	--	--	63,61,740	64.28	63,61,740	64.28	--	--	--	--	--	--	63,61,740
<b>C</b>	Non-Promoters Non-Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>C1</b>	Shares Underlying DRs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>C2</b>	Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	<b>Total (A+B+C)</b>	<b>55</b>	<b>98,97,090</b>	--	--	<b>98,97,090</b>	<b>98,97,090</b>	<b>24</b>	<b>98,97,090</b>	--	--	--	--	--	--	<b>98,97,090</b>

**Note:** (1) As on the date of this Prospectus 1 Equity Share holds 1 vote.

(2) PAN of the Shareholders will be provided by our Company prior to Listing of Equity Shares on the Stock Exchange.

(3) Our Company will file shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of NSE EMERGE platform before commencement of trading of such equity shares.

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

Particulars	Pre-Offer		Post-Offer *	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
<b>Promoter (A)</b>				
Bharatkumar Patel	2,866,500	28.96	2,866,500	25.28%
Prafulbhai Radadia	477,750	4.83	477,750	4.21%
<b>Total (A)</b>	<b>3,344,250</b>	<b>33.79</b>	<b>3,344,250</b>	<b>29.49%</b>
<b>Promoter Group (B)</b>				
Ashaben Katrodiya	1,91,100	1.93%	1,91,100	1.69%
<b>Total (B)</b>	<b>1,91,100</b>	<b>1.93%</b>	<b>1,91,100</b>	<b>1.69%</b>
<b>Total (A+B)</b>	<b>35,35,350</b>	<b>35.72%</b>	<b>35,35,350</b>	<b>31.17%</b>

\*Subject to finalization of Basis of Allotment

10. **Except as mentioned below, none of our Key Management Personnel or Senior Management Personnel hold Equity Shares in our Company as on the date of filing of this Prospectus except:**

Particulars	Number of Shares	Percentage (%) Holding
Bharatkumar Patel	2,866,500	28.96
Prafulbhai Radadia	477,750	4.83
<b>Total</b>	<b>3,344,250</b>	<b>33.79</b>

11. **The list of shareholders holding 1% or more of the paid-up capital of our Company is as under:**

Particulars of the shareholders holding 1% or more of the paid-up capital of our Company as on the date of this Prospectus:

Particulars	Number of Shares	Percentage (%) Holding
Bharatkumar Patel	28,66,500	28.96%
Payal Jain	9,55,500	9.65%
Sunilkumar Shah	643,860	6.51%
Satishkumar Maniya	6,43,650	6.50%
Prafulbhai Radadia	4,77,750	4.83%
Nareshkumar Virja	4,77,750	4.83%
Rameshbhai Kakadiya	3,45,070	3.49%
Linaben Katrodiya	2,86,650	2.90%
Bhagwanbhai Katrodiya	2,86,860	2.90%
Ashaben Katrodiya	1,91,100	1.93%
Rashmita Katrodiya	1,91,100	1.93%
<b>Total</b>	<b>95,54,790</b>	<b>96.54%</b>

12. **Particulars of shareholders holding 1% or more of the paid-up capital of our Company, ten (10) days prior to the date of filing this Prospectus:**

Particulars	Number of Shares	Percentage (%) holding
Bharatkumar Patel	28,66,500	28.96%
Satishkumar Maniya	12,73,650	12.87%
Sunilkumar Shah	12,73,860	12.87%
Rameshbhai Kakadiya	12,74,070	12.87%
Payal Jain	9,55,500	9.65%
Prafulbhai Radadia	4,77,750	4.83%
Nareshkumar Virja	4,77,750	4.83%
Linaben Katrodiya	2,86,650	2.90%
Bhagwanbhai Katrodiya	2,86,860	2.90%
Ashaben Katrodiya	1,91,100	1.93%
Rashmita Katrodiya	1,91,100	1.93%
<b>Total</b>	<b>95,54,790</b>	<b>96.54%</b>

13. **Particulars of shareholders holding 1% or more of the paid-up capital, one (1) year prior to the date of filing this Prospectus:**

Particulars	Number of Shares	Percentage (%) holding
Bharatkumar Patel	9,100	20.00%
Dilipkumar Dholaria	5,612	12.33%
Dhirajbhai Munjapara	4,550	10.00%
Jasmin H. Barvaliya	4,549	10.00%
Payal Jain	3,791	8.33%
Bhanubhai Bhikhabhai Kunjadiya	3,640	8.00%
Prafulbhai D Radadia	2,275	5.00%
Varsha Apurv Kumar Vasiyani	2,275	5.00%
Vinodbhai Samjubhai Dobariya	2,275	5.00%
Nareshkumar Ranchhodbhai Virja	2,275	5.00%
Linaben Bhagwanbhai Katrodiya	1,365	3.00%
Bhagwanbhai Ukabhai Katrodiya	1,062	2.33%
Ashaben Niravbhai Katrodiya	910	2.00%
Rashmita Viral Katrodiya	910	2.00%
Sandip Shivabhai Raiyani	455	1.00%
Rajeshkumar Mansukhbhai Munjapara	455	1.00%
<b>Total</b>	<b>45,499</b>	<b>100.00%</b>

14. **Particulars of shareholders holding 1% or more of the paid-up capital, two (2) years prior to the date of filing this Prospectus**

Particulars	Number of Shares	Percentage (%) holding
Dilipkumar Dholaria	10,237	22.50
Bharatkumar Patel	9,100	20.00
Jasmin Barvaliya	7,962	17.50
Dhirajbhai Munjapara	5,005	11.00
Bhanubhai Kunjadiya	3,640	8.00
Prafulbhai Radadia	2,275	5.00
Varsha Vasiyani	2,275	5.00
Vinod Dobariya	2,275	5.00
Nareshkumar Virja	2,275	5.00
Sandip Raiyani	455	1.00
<b>Total</b>	<b>45,499</b>	<b>100.00</b>

15. **History of the Equity Share capital held by our Promoters**

As on the date of this Prospectus, our Promoters hold 33,44,250 Equity Shares, equivalent to 33.79% of the issued, subscribed and paid-up Equity Share capital of our Company.

**a. Capital built-up of our Promoters:**

Name of the Promoters: Bharatkumar Patel							
Date of allotment / Transfer	No. of Equity Shares	Face Value (in ₹)	Offer Price / Average Acquisition Price per Equity Share (in ₹)	Nature of Consideration	Nature of Allotment	Percentage of the pre- Offer capital (in %)	Percentage of the post- Offer capital (in %)
April 2, 2019	84	100.00	2920.60	Cash	Transfer from Madhav Goel	Negligible	Negligible
April 2, 2019	4,125	100.00	2920.60	Cash	Transfer from Sushma Jain	0.04%	0.04%
April 3, 2019	770	100.00	2920.60	Cash	Transfer from Arun Goel	0.01%	0.01%
December 9, 2019	452	100.00	2920.60	Cash	Transfer from Arun Goel	0.01%	Negligible
December 9, 2019	50	100.00	2920.60	Cash	Transfer from Madhav Goel	Negligible	Negligible
December 17, 2019	2666	100.00	2920.60	Cash	Transfer from Sushma Jain	0.03%	0.02%
September 25, 2020	16	100.00	2920.60	Cash	Transfer from Madhav Goel	Negligible	Negligible
September 25, 2020	128	100.00	2920.60	Cash	Transfer from Arun Goel	Negligible	Negligible
October 6, 2020	709	100.00	2920.60	Cash	Transfer from Sushma Jain	0.01%	0.01%
March 27, 2021	100	100.00	3174.00	Cash	Right Issue	Negligible	Negligible
July 6, 2022	2275	100.00	3296.77	Cash	Transfer from Varsha Apurvakumar Vasiyani	0.02%	0.02%
July 7, 2022	2275	100.00	3296.77	Cash	Transfer from Vinod Samjubhai Dobariya	0.02%	0.02%
December 13, 2022	13,650	100.00	NA	NA	Sub-division of Shares <sup>(i)</sup>	0.14%	0.12%
December 13, 2022	136,500	10.00	NA	NA	Sub-division of Shares <sup>(i)</sup>	1.38%	1.20%
February 16, 2023	2,730,000	10.00	NA	Other than Cash	Bonus Issue	27.58%	24.07%
<b>Total:</b>	<b>2,866,500</b>					<b>28.96%</b>	<b>25.28%</b>

(i) Pursuant to the resolution passed by the member of the company on December 13, 2022, the face value of the Equity Shares was sub-divided from ₹ 100.00 per equity share to ₹ 10.00 per equity share. Therefore, 13,650 Equity Shares of ₹ 100.00 each were sub-divided into 136,500 Equity Shares of ₹ 10.00 each.

Name of the Promoters: Prafulbhai Radadia							
Date of allotment / Transfer	No. of Equity Shares	Face Value (in ₹)	Offer Price / Average Acquisition Price per Equity Share (in ₹)	Nature of Consideration	Nature of Allotment	Percentage of the pre- Offer capital (in %)	Percentage of the post- Offer capital (in %)
September 25, 2020	2250	100.00	2920.60	Cash	Transfer from Kusum Goel	0.02%	0.02%
March 27, 2021	25	100.00	3174.00	Cash	Right Issue	Negligible	Negligible
December 13, 2022	2275	100.00	NA	NA	Sub-division of Shares <sup>(ii)</sup>	0.02%	0.02%
December 13, 2022	22,750	10.00	NA	NA	Sub-division of Shares <sup>(ii)</sup>	0.23%	0.20%

Name of the Promoters: Prafulbhai Radadia							
Date of allotment / Transfer	No. of Equity Shares	Face Value (in ₹)	Offer Price / Average Acquisition Price per Equity Share (in ₹)	Nature of Consideration	Nature of Allotment	Percentage of the pre- Offer capital (in %)	Percentage of the post-Offer capital (in %)
February 16, 2023	455,000	10.00	NA	Other than Cash	Bonus Issue	4.60%	4.01%
<b>Total:</b>	<b>477,750</b>					<b>4.83%</b>	<b>4.21%</b>

(ii) Pursuant to the resolution passed by the member of the company on December 13, 2022, the face value of the Equity Shares was sub-divided from ₹ 100.00 per equity share to ₹ 10.00 per equity share. Therefore, 2,275 Equity Shares of ₹ 100.00 each were sub-divided into 22,750 Equity Shares of ₹ 10.00 each.

16. All the Equity Shares allotted to the Promoters as given above were fully paid up as on the date of such allotment. Further, none of the shares have been pledged with any bank/ financial institution and/ or with anybody else.
17. The average cost of acquisition of or subscription to Equity Shares by our Promoters are set forth in the table below:

Name of the Promoters	No. of Equity shares held	Average cost of Acquisition (in ₹) *
Bharatkumar Patel	2,866,500	14.51
Prafulbhai Radadia	477,750	13.92

\*As certified by statutory auditor by M/s Ratan Chandak & CO, Chartered Accountants dated February 01, 2024

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

Name of the Selling Shareholder	Number of Equity shares offered	Average Cost of Acquisition per Equity share (in ₹)*
Satishkumar Maniya	12,73,650	14.13
Sunilkumar Shah	12,73,860	14.13
Rameshbhai Kakadiya	12,74,070**	14.13

\*As certified by statutory auditor by M/s Ratan Chandak & CO, Chartered Accountants dated February 01, 2024\*\* transfer of shares not consider in calculation of average cost of acquisition

**We hereby confirm that:**

- i. None of the members of the Promoters, Promoter Group, Directors and their immediate relatives have purchased or sold or transfer any Equity shares of our Company within the last six months from the date of this Prospectus.
- ii. None of the Promoters, members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company within the period of six months immediately preceding the date of this Prospectus.

**18. Details of Promoters contribution locked in for three (3) years:**

- i. Pursuant to the Regulations 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Offer Equity Share capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of Allotment in this Offer. As on date of this Prospectus, our Promoters holds 33,44,250 Equity Shares constituting 29.49 % of the Post-Offer Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoters' Contribution.

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

Promoters	Date of Allotment/ Acquisition and when made fully paid-up	Nature of Acquisition	No. of Equity Shares lock in	Face Value (in ₹)	Offer Price per Equity share (in ₹)	% of Pre- Offer Equity share capital	% of Post Offer Equity shares Capital	Lock in Period
Bharatkumar Patel	February 16, 2023	Bonus Issue	22,80,000	10	Nil	23.04%	20.10%	3 years



<b>Total</b>	22,80,000	<b>3</b> <b>years</b>
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*\*To be included in the Prospectus.*

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

- (i) The Equity Shares acquired during the three years preceding the date of this Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets, or bonus shares issued out of revaluations reserves or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoter's Contribution;
- (ii) The Equity Shares acquired during the year preceding the date of this Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

Provided that nothing contained in this clause shall apply to:

The Equity Shares allotted to promoters during one year preceding the date of Prospectus, at a price less than the Offer price, against funds brought in by them during that period, formed by conversion of partnership firm, where the partners of the erstwhile partnership firm are the promoters of the issuer and there is no change in the management; And that the Equity Shares allotted to promoters are against the capital existing in partnership firm for a period of less than one year on a continuous basis;

- (iii) The Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.
- (iv) Specific written consent has been obtained from the Promoters for inclusion of 22,80,000 Equity Shares for ensuring lock-in of three years to the extent of minimum 20.10 % of post Offer Paid-up Equity Share Capital from the date of allotment in the public Offer.
- (v) The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoter under the SEBI (ICDR) Regulations. The Promoters' Contribution constituting 22,80,000 Equity Shares which is 20.10 % of the post Offer capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Offer.
- (vi) We further confirm that our Promoters' Contribution of 20% of the Post Offer Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

**19. Equity Shares locked-in for one year other than Minimum Promoters Contribution.**

Pursuant to regulation 238(b) and 239 of the SEBI (ICDR) Regulations, other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters contribution for three years, all pre-Offer 76,17,090 Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Offer.

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

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

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

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

In terms of Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions or a systemically important non-banking finance company or a housing finance company, subject to the following:

- a) If the specified securities are locked-in in terms of sub-regulation (a) of Regulation 238 of the SEBI ICDR Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and the pledge of specified securities is one of the terms of sanction of the loan;
- b) If the specified securities are locked-in in terms of sub-regulation (b) of Regulation 238 of the SEBI ICDR Regulations and the pledge of specified securities is one of the terms of sanction of the loan.

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

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

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

23. As on date of this Prospectus, our Company has 24 shareholders.
24. Our Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of this Prospectus.
25. None of the persons/entities comprising our Promoters Group, our directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six (6) months immediately preceding the date of this Prospectus.
26. 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 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 Offer 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.
27. Our Company, our Promoters, our Directors and the Lead Manager have not entered into any buy-back or standby or similar arrangements for the purchase of Equity Shares being offered through the Offer from any person.
28. Neither the Lead Manager nor any of their associates (as defined under Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) hold any Equity Shares in our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
29. There are no Equity Shares against which depository receipts have been issued.
30. The Offer Price has been determined by our Company, the Promoters and the Selling Shareholders, in consultation with the Lead Manager.
31. Our Company shall ensure that transactions in the Equity Shares by the Promoters, the members of the Promoters Group and the Selling Shareholders during the period between the date of registering the Prospectus with the RoC and the date of closure of the Offer shall be reported to the Stock Exchange within twenty-four (24) hours of the transaction.
32. Subject to valid applications being received at or above the Offer Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines
33. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Offer.
34. Prior to this Initial Public Offer, our Company has not made any public issue at large.
35. As per RBI regulations, OCBs are not allowed to participate in this Offer.
36. Our Promoters and the members of our Promoters Group will not participate in this Offer.
37. Our Company has not raised any bridge loans against the proceeds of the Offer.
38. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

39. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Offer is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company. Further, this Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
40. No person connected with the Offer shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant
41. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of the Prospectus. Since the entire Offer Price in respect of the Offer is payable on application, all the successful applicants will be allotted fully paid-up Equity shares.
42. None of our Directors or Key Managerial Personnel or Senior Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “*Our Management*” on page 133 of this Prospectus.

## SECTION - IV – PARTICULARS OF THE OFFER

### OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue by our Company and an Offer for Sale by Selling Shareholders.

#### The Offer for Sale

The Selling Shareholders will be entitled to its respective portions of the proceeds of the Offer for Sale after deducting its proportion of Offer related expenses. Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholder and the proceeds received from the Offer for Sale (net of Offer related expenses to be borne by the Selling Shareholders) will not form part of the Net Proceeds. Other than the listing fees for the Offer (which shall be exclusively borne by our Company), all cost, fees and expenses in respect of the Offer will be shared among our Company and the Selling Shareholders, respectively, in proportion to the proceeds received from the Fresh Issue and its portion of the Offered Shares, as may be applicable, upon the successful completion of the Offer. For further information regarding the Selling Shareholders and Equity Shares being offered for sale (in terms of amount), please refer the chapter titled “*The Offer*” beginning on page 48 of this Prospectus.

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

- i. Funding our Working Capital Requirements; and
- ii. General Corporate Purpose

(Collectively referred to as “*Objects*”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the NSE Emerge.

The main objects clause and the matters which are necessary for furtherance to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Offer. The fund requirement and its deployment are based on estimates made by our management and such estimates have not been subjected to appraisal by any bank or financial institution.

#### NET PROCEEDS

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

Particulars	Estimated Amount (₹ in Lakhs)
Gross Proceeds from the Fresh Issue	779.76
(Less) Offer expenses in relation to the Fresh Issue*	174.31
Net Proceed	605.45

\*For details with respect to sharing of fees and expenses amongst our Company and the Selling Shareholders, please refer to “– Offer Expenses”.

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

The Net Proceeds are currently expected to be deployed in accordance with the details provided in the table below:

Particulars	Estimated Amount (₹ in Lakhs)
Funding our Working Capital Requirements	500.00
General corporate purposes <sup>#</sup>	105.45

<sup>#</sup>The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

#### 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 as set forth in the table below:

(₹ in Lakhs)

Particulars	Amount to be funded from Net Proceeds	Estimated utilization of Net Proceeds in FY 2023 – 24
Funding our Working Capital Requirements	500.00	500.00
General corporate purposes *	105.45	105.45
<b>Net Proceeds of the Issue</b>	<b>605.45</b>	<b>605.45</b>

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

We propose to deploy the Net Proceeds towards the Objects of the Offer by the end of the Financial Year 2024 and in the manner as specified in the table above. However, if the Net Proceeds are not utilized (in full or in part) for the objects of the Offer during the period stated above due to factors such as (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws

The fund deployment indicated above is based on management estimates, current circumstances of our business and we may have to revise our estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws. For further details of factors that may affect these estimates, please refer to chapter titled **“Risk Factors”** on beginning on page 23 of this Prospectus.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Offer. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flows from our operations and debt. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Offer, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for towards the objects setout herein above, if required including general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Fresh Issue in accordance with Regulation of the SEBI (ICDR).

## MEANS OF FINANCE

Fund requirements for the Objects are proposed to be met from the Net Proceeds and our internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations 2018 and Clause 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Offer or through existing identifiable internal accruals.

In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Offer, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Subject to applicable law, if the actual utilisation towards any of the Objects, including utilization towards Offer expense, is lower than the proposed deployment, such balance will be used for towards the objects setout herein above, including general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Offer in accordance with the SEBI (ICDR) Regulations.

## DETAILS OF THE OBJECTS OF THE FRESH ISSUE

### 1. Funding our working capital requirements

Our Company proposes to utilize ₹500.00 Lakhs from the Net Proceeds towards funding its working capital requirements in Fiscal 2024. We have significant working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals/equity and financing facilities from various banks, financial institutions and related parties. Our Company requires additional working capital for funding future growth requirements of our Company. For details of the working capital facilities availed by us, see **“Financial Indebtedness”** on page 201 of this Prospectus.

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

We propose to utilise ₹500.00 Lakhs from the Net Proceeds to fund the working capital requirements of our Company in the Fiscal 2024. The balance portion of our working capital requirement will be arranged from existing equity, internal accruals, borrowings from banks, financial institutions and related parties.

The details of Company’s working capital for the period ended on August 15, 2023, Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, and the source of funding, on the basis of restated financial statement of our Company are provided in the table below:

(₹ in Lakhs)

Particulars	For the period ended on at August 15, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Current assets</b>				
Inventories	2,170.54	1,394.28	1,211.47	1,170.07
Trade receivables	2,158.69	2,810.87	2,169.99	1,813.17
Short term Loans and Advances	318.85	258.89	273.79	327.45

Particulars	For the period ended on at August 15, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Other Current Assets	6.73	5.73	3.94	3.83
<b>Total Current Assets (A)</b>	<b>4,654.81</b>	<b>4,469.77</b>	<b>3,659.19</b>	<b>3,314.52</b>
<b>Current liabilities</b>				
Trade payables	1,097.47	1,344.93	907.35	881.70
Other Current Liabilities	808.80	586.77	409.07	560.15
Short Term Provisions	163.27	158.04	126.45	57.76
<b>Total Current Liabilities (B)</b>	<b>2,069.54</b>	<b>2,089.74</b>	<b>1,442.87</b>	<b>1,499.61</b>
<b>Net working capital requirements (C=A-B)</b>	<b>2,585.27</b>	<b>2,380.03</b>	<b>2,216.32</b>	<b>1,814.91</b>
<b>Sources of funds</b>				
Borrowings	1,194.87	1153.13	1190.33	868.04
Internal accruals / Equity	1,390.40	1,226.90	1,025.99	946.86
<b>Total Means of Finance</b>	<b>2,585.27</b>	<b>2,380.03</b>	<b>2,216.32</b>	<b>1,814.91</b>

For further details, please see the chapter titled “*Restated Financials Statements*” on page 153 of this Prospectus.

**Expected working capital requirements:**

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

On the basis of our existing working capital requirements and estimated working capital requirements, our Board pursuant to its resolution dated August 29, 2023 has approved the projected working capital requirements for Financial Year ended March 31, 2024 with the assumptions and justifications for holding levels, and the proposed funding of such working capital requirements, as set forth below:

(₹ in Lakhs)

Particulars	As at March 31, 2024
<b>Current Assets</b>	
Inventories	1652.47
Trade receivables	2850.00
Short-term Loans and Advances	295.41
Other Current Assets	18.77
<b>Total Current Assets (A)</b>	<b>4816.65</b>
<b>Current Liabilities</b>	
Trade payables	1285.00
Other Current Liabilities and Provisions	575.00
Short-term Provisions	187.71
<b>Total Current Liabilities (B)</b>	<b>2041.71</b>
<b>Net working capital requirements (C=A-B)</b>	<b>2768.94</b>
<b>Sources of funds</b>	
Borrowings	1,100.00
Internal accruals / Equity	1168.94
Fresh Issue proceeds	Upto 500.00
<b>Total Means of Finance</b>	<b>2768.94</b>

**Assumptions for our estimated working capital requirement:**

Particulars	As at March 31, 2024 (Estimated)	For the period ended on August 15, 2023 (Actuals)	As at March 31, 2023 (Actuals)	As at March 31, 2022 (Actuals)	As at March 31, 2021 (Actuals)
Trade Receivables	200	292	234	211	121
Inventories	116	290	116	118	78
Short Term Loans & Advances	21	43	22	27	22
Other Current Assets	1	1	0	0	0
<b>Total Current Assets (A)</b>	<b>338</b>	<b>626</b>	<b>372</b>	<b>355</b>	<b>222</b>
<b>Current Liabilities (excluding borrowings and income tax liabilities)</b>					
Trade Payables	90	148	112	88	59
Other Current Liabilities	40	109	49	40	37
Short Term Provisions	13	22	13	12	4
<b>Total current liabilities (B)</b>	<b>144</b>	<b>278</b>	<b>174</b>	<b>140</b>	<b>100</b>
<b>Working Capital Cycle (A-B)</b>	<b>194</b>	<b>348</b>	<b>198</b>	<b>215</b>	<b>121</b>

### Justification

Trade Receivable	The holding levels of trade receivables were at 121 days in Fiscal 2021, 211 days in Fiscal 2022, 234 days in Fiscal 2023. We have assumed Trade receivable days 200 days for the Financial year 2024 which is in line with the previous year Financial year 2023. For the period ended August 15, 2023 trade receivable were 292 days
Inventories	Our Company had maintained inventory holding period of 78 days in Fiscal 2021, 118 days in Fiscal 2022, 116 days in Fiscal 2023. We expect holding level to stay in line with Fiscal 2023 for Fiscal 2024 as we aim to increase our Revenue from Operations and meet customer demand in shorter time cycle. For the period ended August 15, 2023, the Inventories days were 290 days
Short term loans and advances including other current assets	Short term loans advances including other current assets include balance with statutory authorities, advances to sundry creditor, prepaid expenses, retention money deposits accrued interest for LC and BG. Our Company had maintained holding level of short term loan and advances including other current assets at 22 days in Fiscal 2021, 27 days in Fiscal 2022, 22 days in Fiscal 2023. We expect the holding level to stay around 22 days for Fiscal 2024. For the period ended August 15, 2023, the Inventories days were 43 days
Trade Payable	Our Company had maintained holding level of trade payables at 59 days in Fiscal 2021, 88 days in Fiscal 2022, 112 days in Fiscal 2023. High activity period resulted in higher trade payables which may regularize by year end. However, our Company intends to reduce trade payable in the range of 90 days for Fiscal 2024. For the period ended August 15, 2023, the Inventories days were 148 days

## 2. General Corporate Purposes

We will have flexibility in utilizing the balance Net Proceeds, if any, for general corporate purposes, subject to such utilization not exceeding 25% of the gross proceeds from the Fresh Issue in accordance with the SEBI ICDR Regulations. The general corporate purposes for which we propose to utilize the Net Proceeds include meeting day today expenses, short term working capital requirements, meeting any expense of our Company, including salaries and wages, administration, insurance, repairs and maintenance, payment of taxes and duties, expenses towards strategic initiatives, funding growth opportunities,



strengthening marketing capabilities and brand building exercises, meeting ongoing general corporate contingencies, meeting expenses incurred in the ordinary course of business, payment of lease liabilities, payment of commission and/or fees to consultants, acquisition of fixed assets, capital expenditure in the ordinary course of business, business development initiatives and towards any exigencies, and any other purpose, as considered expedient and as approved periodically by our Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including the necessary provisions of the Companies Act.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board based on the permissible amount actually available under the head 'General Corporate Purposes' and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of our Board, shall have flexibility in utilising surplus amounts, if any. In the event our Company is unable to utilise the entire amount that is currently estimated for use out of Net Proceeds in a Fiscal, our Company will utilise such unutilized amount in the next Fiscal.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

### Offer Related Expenses

The total expenses of the Offer are estimated to be ₹ 174.31 Lakhs. The break-up for the Offer expenses is as follows:

Activity	Estimated Amount (₹ in Lakhs) *	As a % of total estimated Offer expenses <sup>(1)</sup>	As a % of Offer size <sup>(1)</sup>
Lead manager(s) fees	15.00	8.61%	0.86%
Fees payable to the Registrar to the Offer, Legal Advisors, Advisor to the Offer, Advertising, Expenses, Printing and Distribution of issue stationery, Brokerage, Selling, Commission and upload fees	35.00	20.08%	2.01%
Regulators fees including stock exchanges	8.00	4.59%	0.46%
Others, if any (including Underwriting Commission, Market making, advisory fees, depositories, marketing fees etc.)	116.31	66.73%	6.67%
<b>Total</b>	<b>174.31</b>	<b>100.00%</b>	<b>10.00%</b>

\*excluding applicable taxes (GST)

#### Notes:

1. As on date of this Prospectus, the fund deployed out of internal accruals as on date of this Prospectus is ₹ 0.98 Lakhs towards Offer expenses including applicable taxes

(1) Selling commission payable to the SCSBs on the portion for Retail Individual Investors. Non-Institutional Investors, which are directly procured by the SCSBs, would be as follows:

Portion for Retail Individual Applicants*	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Applicants*	0.10% of the Amount Allotted* (plus applicable taxes)

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

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

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

Portion for Retail Individual Applicants*	₹10 per valid application (plus applicable taxes)
Portion for Non-Institutional Applicants*	₹10 per valid application (plus applicable taxes)

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

(3) The processing fees for applications made by Retail Individual Applicants using the UPI Mechanism would be as follows:

Members of the Syndicate/ RTAs/ CDPs (uploading charges)	₹10 per valid application (plus applicable taxes)
Sponsor Bank-ICICI Bank	₹7 per valid application* (plus applicable taxes). The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars and other applicable law

\*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIs (up to ₹200,000), Non-Institutional Applicants (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds Rs 1 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.

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

Portion for Retail Individual Applicants*	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Applicants*	0.10% of the Amount Allotted* (plus applicable taxes)

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

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Applicants which are procured by them and submitted to SCSB for blocking or using 3-in- 1 accounts, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs Bidding charges payable to the Registered Brokers, CRTAs/ CDPs

Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Applicants which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Applicants*	₹10 per valid application (plus applicable taxes)
Portion for Non-Institutional Applicants*	₹10 per valid application (plus applicable taxes)

\*Based on valid applications

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

The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also Application 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 Application by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Non institutional Applicants which are procured by them and submitted to SCSB for blocking, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

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

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Applicants using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021

#### Interim use of Net Proceeds

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

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets

### **Bridge Financing Facilities**

Our Company has not raised any bridge loans or entered into any other similar financial arrangements from / with any bank or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Proceeds.

### **Appraisal Report**

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency in terms of applicable law.

### **Appraisal by Appraising Agency**

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Offer are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy

### **Monitoring Utilization of Funds**

Our Company is not required to appoint a monitoring agency for the purposes of this Offer. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. Our Board and the management will monitor the utilization of the Net Offer Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half yearly basis disclose to the Audit Committee the Application of the proceeds of the Offer. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Offer have been utilized in full.

### **Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and the applicable rules, and the SEBI ICDR Regulations, our Company shall not vary the Objects without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Notice”) shall specify the prescribed details as required under the Companies Act. The Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal, at a price as prescribed by SEBI, in accordance with our Articles of Association, the Companies Act, 2013 and the SEBI ICDR Regulations, in this regard

### **Other Confirmation**

No part of the Net Proceeds will be utilised by our Company as consideration to our Promoters, members of the Promoter Group, Directors, or Key Management Personnel or Senior Managerial Personnel. Our Company has not entered into nor is planning to enter into any arrangement / agreements with Promoters, members of the Promoter Group, Directors or Key Management Personnel or Senior Managerial Personnel in relation to the utilisation of the Net Proceeds.

## BASIS FOR OFFER PRICE

The Offer Price of ₹ 54 per Equity Share is determined by our Company and the Selling Shareholders, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹ 10 per Equity Share. The Offer Price is 5.4 times the face value.

Investors should refer chapters titled “*Risk Factors*”, “*Business Overview*”, “*Restated Financial Statements*” and “*Management Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 23, 102, 153 and 192 respectively of this Prospectus to get an informed view before making an investment decision. The trading price of the Equity shares of our Company could decline due to risk factors and you may lose all or part of your investments.

### Qualitative Factors

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

1. Strong Marketing and Distribution network;
2. Robust and Scalable Business Model;
3. Diversified customer base and long-standing relationship with our customers;
4. Diversified Product Portfolio;
5. Experienced Promoter Directors with extensive domain knowledge.

For further details, refer heading “*Our Competitive Strengths*” under chapter titled “*Business Overview*” beginning on page 102 of this Prospectus.

### Quantitative Factors

Information presented below relating to the Company is based on the Restated Financial Statements for the Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and for the Financial Year ended March 31, 2021. Some of the quantitative factors which form the basis or computing the price, are as follows:

#### 1. Basic and Diluted Earnings per Share (EPS)

Particulars	Basic EPS and Diluted EPS	Weights
March 31, 2021	0.66	1
March 31, 2022	0.34	2
March 31, 2023	1.15	3
<b>Weighted Average</b>	<b>0.80</b>	-
<b>For the period ended on August 15, 2023*</b>	<b>0.25</b>	

*\*Not annualized*

**Note.**

- The face value of each Equity Share is Rs. 10.
- Basic and diluted Earnings per share calculations are in accordance with Indian GAAP and Accounting Standard as applicable and based on the Restated Financial Statement of our Company.
- Basic and Diluted EPS = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / weighted average no. of equity shares outstanding during the year (Post effect of bonus) /period as per Restated Financial Statement
- Pursuant to a resolution Shareholders meeting dated December 13, 2022, our Company approved to split each Equity Share having face value of Rs. 100/- each into Equity Shares of ₹ 10/- each. Accordingly, the issued, subscribed and paid-up capital of our Company was subdivided from ₹ 70,00,000 consisting of 70,000 Equity Shares of face value of ₹ 100.00/- each to ₹ 70,00,000 consisting of 7,00,000 Equity Shares of face value of ₹ 10.00/- each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of earnings per share as per the requirement.
- Weighted Average EPS = Aggregate of Year wise weighted EPS divided by the Aggregate weights i.e [(EPS \*Weights) for each year / Total Weights]
- The above statement should be read with significant accounting policies and notes on Restated Financial Information as appearing in the Restated Financial Statements.
- Our Company issued bonus Equity Shares in the ratio of 20 Equity Shares for every 1 share held to the existing shareholders as fully paid bonus shares on February 16, 2023. For calculating the Weighted Average Number of Equity Shares for EPS above, these bonus shares have been considered in the periods reported.

#### 2. Price to Earnings (P/E) ratio in relation to Offer Price ₹ 54 per Equity Share of ₹ 10 each fully paid up

Particulars	P/E ratio Basic	P/E ratio Diluted
P/E ratio based on Basic & Diluted EPS for the financial year ended March 31, 2023 (Post Bonus)	47.03	47.03
<b>Industry Peer Group P/E ratio</b>		
Highest	2587.50	2587.50
Lowest	4.91	5.00
Average	716.23	716.26

Source: BSE and NSE Website

The figures for the peer group are for the year ended March 31, 2023 and are based on their respective consolidated financial statements filed with Stock Exchange. CMP of the peer group is as per the closing price as on January 24, 2024 as available on [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

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

Return on Net Worth (RoNW) as per Restated Financial Statements

Particulars	Basic EPS and Diluted EPS	Weights
March 31, 2021	4.84%	1
March 31, 2022	2.46%	2
March 31, 2023	7.39%	3
<b>Weighted Average</b>	<b>5.32%</b>	<b>-</b>
<b>For the period ended on August 15, 2023*</b>	<b>6.70%</b>	

*\*Not annualized*

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

1) Return on Net Worth (%) = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / Average Net worth as restated as at year/period end.

Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights. Pursuant to a resolution Shareholders meeting dated December 13, 2022, our Company approved to split each Equity Share having face value of Rs. 100/- each into Equity Shares of ₹ 10/- each. Accordingly, the issued, subscribed and paid-up capital of our Company was subdivided from ₹ 70,00,000 consisting of 70,000 Equity Shares of face value of ₹ 100.00/- each to ₹ 70,00,000 consisting of 7,00,000 Equity Shares of face value of ₹ 10.00/- each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of earnings per share as per the requirement.

2) Net worth is aggregate value of the paid-up equity share capital of the Company and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, excluding revaluation reserves if any, as per Restated Financial Information.

### 4. Net Asset Value (NAV)

Particulars	(in ₹)
Net Asset Value per Equity Share as of March 31, 2023	15.53
Net Asset Value per Equity Share for the period ended on August 15, 2023*	16.65
Net Asset Value per Equity Share after IPO	21.32
Offer Price per equity share	54

*\*Not annualized*

Notes:

(i) Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of Financial period/year divided by the weighted average number of Equity Shares used in calculating basic earning per share.

➤ “Net Worth attributable to the owners of our Company” 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, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations as at March 31, 2023, March 31, 2022 and March 31, 2021.

- Our Company issued bonus Equity Shares in the ratio of 20 Equity Shares for every 1 share held to the existing shareholders as fully paid bonus shares on February 16, 2023.
- (ii) To be decided upon finalisation of Offer Price per Equity Share.

## 5. The Offer price is 5.4 times of the face value of the Equity Shares

The Offer Price of ₹ 54 per equity share has been determined by the Company in consultation with the lead manager on the basis of an assessment of market demand for the equity shares through the fixed price issue process and on the basis of qualitative and quantitative factors.

Prospective investors should read the above-mentioned information along with “**Risk Factors**”, “**Business Overview**”, “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” and “**Restated Financial Statement**” beginning on pages 23, 102, 192 and 153, respectively of this Prospectus, to have a more informed view. The trading price of the equity shares could decline due to the factors mentioned in the “**Risk Factors**” and you may lose all or part of your investments.

## 6. Key Performance Indicators

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

The KPIs herein have been certified by Statutory Auditor, Ratan Chandak & Co., Chartered Accountants, by their certificate dated February 01, 2024 who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The certificate dated February 01, 2024 issued by Ratan Chandak & Co., Chartered Accountants, has been included in the chapter titled “**Material Contracts and Documents for Inspection**” on page 293 of this Prospectus.

The KPIs of our Company have been disclosed in the chapters titled “**Business Overview**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators**” on pages 102 and 192, respectively. We have described and defined the KPIs, as applicable, in “**Definitions and Abbreviations**” on page 2.

Our Company confirms that it shall continue to disclose all the KPIs included in this chapter on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Key Performance Indicators of our Company.

Particulars	For the period ended on August 15, 2023*	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Revenue from Operations (₹ in Lakhs) <sup>(1)</sup>	1,018.74	4,387.66	3762.27	5458.80
Growth in Revenue from Operations (%)	NA	16.62%	(31.08%)	-
EBITDA (₹ in Lakhs) <sup>(2)</sup>	256.54	462.01	285.27	305.83
EBITDA Margin (%) <sup>(3)</sup>	25.18%	10.53%	7.58%	5.60%
Restated Profit After Tax for the Year (₹ in Lakhs) <sup>(4)</sup>	110.31	113.53	33.75	64.81
PAT Margin (%) <sup>(5)</sup>	6.70%	2.59%	0.90%	1.19%
Net Worth (₹ in Lakhs) <sup>(6)</sup>	1,646.02	1,535.71	1372.06	1338.31
Capital Employed (₹ in Lakhs)	3,212.19	3,041.33	2,851.92	2,420.24
ROE (%) <sup>(7)</sup>	6.70%	7.39%	2.46%	4.84%
ROCE (%) <sup>(8)</sup>	7.16%	12.81%	6.02%	8.59%

\* Not Annualized

Notes:

<sup>(1)</sup> Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.

<sup>(2)</sup> Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.

<sup>(3)</sup> EBITDA is calculated as Profit before tax + Depreciation & amortisation + Finance Cost - Other Income

<sup>(4)</sup> EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations

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



<sup>(6)</sup> Net worth is aggregate value of the paid-up equity share capital of the Company and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, excluding revaluation reserves if any, as per Restated Financial Information.

<sup>(7)</sup> Return on Equity (%) refers to restated profit for the year/period attributable to equity shareholders of our Company divided by Net worth.

<sup>(8)</sup> Return on Capital Employed is calculated as earnings before interest and taxes divided by Capital Employed.

-Earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs.

-Capital Employed is calculated as total equity plus total borrowings and deferred tax liabilities minus intangible assets.

Explanation of KPI Metrics:

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

Except as disclosed above, there are no other KPIs pertaining to our Company disclosed to its investors, at any point of time, during the three years preceding the date of this Draft Prospectus. Further, the Audit Committee vide its resolution dated August 29, 2023 has confirmed that verified details for all the key performance indicators pertaining to our Company that have been disclosed to the earlier investors at any point of time during the three years period prior to the date of filing this Prospectus are disclosed above. Our Company shall continue to disclose the KPIs disclosed above, on a periodic basis on the Stock Exchanges, at least once in a year (or for any lesser period as determined by our Company), for a duration that is at least the later of (i) one year after the listing date; or (ii) till the utilization of the Net Proceeds or for such other period as may be required under the SEBI ICDR Regulations.

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

Companies	EPS (Basic) (₹)	EPS (Diluted) (₹)	PE ratio (Basic)	PE ratio (Diluted)	RONW (%)	NAV	Face Value	EBITDA (₹ in Lakhs)	Total Income (₹ in Lakhs)
Polysil Irrigation Systems Limited (post-bonus)	1.15	1.15	47.03	47.03	7.39%	15.53	10	462.01	4392.49
<b>Listed Peers:</b>									
Captain Polyplast Limited (Consolidated)	1.18	1.18	43.93	43.93	7.79%	14.36	2	1687.04	22,459.70
RM Drip and Sprinklers Systems Limited (Standalone)	0.04	0.04	2587.50	2587.50	0.23%	19.04	10	186.00	1095.41
Texmo Pipes and Products Limited (Consolidated)	0.39	0.39	228.59	228.59	0.60%	64.01	10	2487.68	63,844.17
Jain Irrigation Systems Limited (Consolidated)	13.33	13.08	4.91	5.00	18.39%	87.43	2	50,760.00	5,74,758.00



Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports/ financial results as available of the respective company for the year ended March 31, 2023 submitted to stock exchanges or on company's website as available.

Notes:

a) The figures for Polysil Irrigation Systems Limited are based on the Restated Financial Statements for the period ended March 31, 2023

b) The figures for the peer group are for the year ended March 31, 2023 and are based on their respective consolidated financial statements filed with Stock Exchange. CMP of the peer group is as per the closing price as on February 01, 2024 as available on [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

c) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.

d) P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on February 01, 2024 sourced from website of Stock Exchange as divided by the Basic/diluted EPS as applicable.

e) RoNW is computed as net profit after tax, as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.

f) Includes DVR shares

## 8. Weighted average cost of acquisition

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

Other than Equity Shares issued pursuant to a bonus issue on February 16, 2023, our Company has not issued any Equity Shares or convertible securities during the 18 months preceding the date of this Draft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up Equity Share capital of our Company (calculated based on the pre-issue capital before such transactions and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

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

Except mentioned below, there have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Date of Transfer	Category	Name of Transferor	Name of Transferee	No. of Securities	Face Value (₹)	Transfer Price per share (₹)	Total Consideration (₹)
July 06, 2022	Promoter	Varsha Apurvakumar Vasiyani	Bharatkumar Patel	2,275	100.00	3,296.77	7,500,151.75
July 07, 2022	Promoter	Vinod Samjubhai Dobariya	Bharatkumar Patel	2,275	100.00	3,296.77	7,500,151.75
<b>Total</b>				<b>4,550</b>	<b>-</b>	<b>-</b>	<b>15,000,303.50</b>
<b>Weighted average cost of acquisition (WACA)</b>							<b>3296.77</b>

c) Since there is an eligible transaction of our Company reported in (b) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations, the price per Equity Share of our Company based on the last five primary or secondary transactions in Equity Shares (secondary transactions where the Promoter/ Promoter Group entities or Shareholders having the right to nominate director on the Board are a party to the transaction) not older than 3 years prior to the date of filing of this Draft Prospectus has not been computed.

d) Weighted average cost of acquisition and Offer Price:

Type of Transactions	Weighted average cost of acquisition (₹ per Equity Shares) *	Offer Price
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA <sup>^</sup>	NA

Type of Transactions	Weighted average cost of acquisition (₹ per Equity Shares) *	Offer Price
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	3,296.77^^	0.016
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above.	NA	NA

\*Weighted average cost is before giving effect to the bonus shares issued on February 16, 2023

Note:

^There were no primary / new issue of shares (equity/convertible securities) other than Equity Shares issued pursuant to a bonus issue on February 16, 2023, in last 18 months and three years prior to the date of this Prospectus.

^^ There were no secondary sales / acquisition of shares of shares (equity/ convertible securities) transactions in last 18 months from the date of this Prospectus

**Detailed explanation for Offer Price being 0.016 times of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in VIII above) along with our Company's key performance indicators and financial ratios for the Fiscals 2023, 2022 and 2021.**

9. The Offer Price is 5.4 times of the face value of the Equity Shares.

The Offer Price of ₹ 54 has been determined by our Company and the Selling Shareholders in consultation with the LM and is justified in view of the above qualitative and quantitative parameters.

The trading price of Equity Shares could decline due to factors mentioned in **“Risk Factors”**, on page 23 of this Prospectus and you may lose all or part of your investments, Applicants should read the above-mentioned information along with **“Business Overview”**, **“Management's Discussion and Analysis of Financial Position and Results of Operations”** and **“Restated Financial Statement”** on pages 102, 192 and 153, respectively of this Prospectus, to have a more informed view before making an investment decision.

**STATEMENT OF TAX BENEFITS**

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## STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors  
**Polysil Irrigation Systems Limited**

Survey No. 340/1, At/PO-Raniya,  
Sakarda-Bhadrava Road, Ta-Savli,  
Dist-Vadodara - 391780

Dear Sirs,

**Sub: Statement of possible Special tax benefit ('the Statement') available to Polysil Irrigation Systems Limited (Formerly known as Polysil Irrigation Systems Private Limited) and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')**

We, Ratan Chandak & Co, Chartered Accountants, the Statutory Auditors of the Company, hereby confirm that the enclosed annexure, prepared by Polysil Irrigation Systems Limited (Formerly known as Polysil Irrigation Systems Private Limited) ("the Company") states the possible special tax benefits available to the Company and the shareholders of the Company under direct and indirect taxes as applicable in India (together "**the Tax Laws**"), as amended time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

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

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

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

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



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

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

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct. The enclosed Annexure is intended solely for your information and for inclusion in the Draft Prospectus/Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Signed in terms of our separate report of even date.

**For Ratan Chandak and Co.**

Firm Reg. No.: 108696W

Sd/-

CA. Jagadish Sate

Partner

M. No.: 182935

UDIN: 24182935BKBITW6728

Place: Navi Mumbai

Date: 24<sup>th</sup> January 2024.



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

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

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

Outlined below are the special tax benefits available to the “Company and its Shareholders under the Income-tax Act, 1961 (the “Act”) as amended by the Finance Act, 2023 applicable for Financial Year 2023-24 relevant to the Assessment Year 2024-25.

#### **Lower corporate tax rate under section 115BAA**

Section 115BAA has been inserted in the Act w.e.f. FY 2019-20. It gives an option to domestic company to be governed by this section from a particular assessment year. If a company opts for section 115BAA of the Act, the company can pay corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and education cess of 4%). However once opted for reduced rate of taxation under the said section, it cannot be subsequently withdrawn.

Section 115BAA further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their ‘book profits’ under section 115JB of the Act. However, such a company will no longer be eligible to avail any specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available.

Further, it shall not be allowed to claim set-off of any brought forward losses arising to it on account of additional depreciation and other specified incentives.

The Company has already evaluated and opted for the lower corporate tax rate of 26.00% (prescribed under section 115BA of the Act) with effect from AY 2022-23.

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

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

#### **Notes:**

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



3. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
4. For direct tax benefits, this Annexure sets out only the special tax benefits available to the Company and the shareholders under the current Income-tax Act, 1961 i.e. the Act as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.
5. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Offer.

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

Signed in terms of our separate report of even date.

**For Ratan Chandak and Co.**

Firm Reg. No.: 108696W

Sd/-

CA. Jagadish Sate

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Place: Navi Mumbai

Date: 24<sup>th</sup> January 2024.



## SECTION V: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

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### INTRODUCTION

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

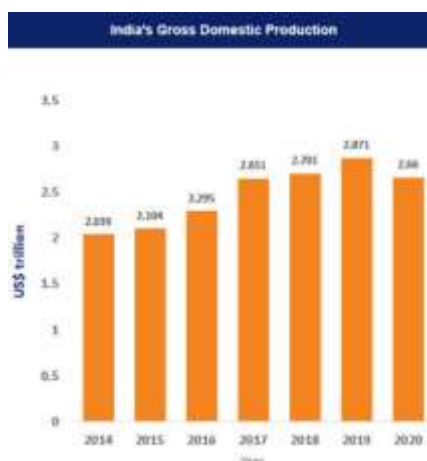
India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

### MARKET SIZE

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.



## DEVELOPMENTS

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

- As of September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.
- Merchandise exports in September 2022 stood at US\$ 32.62 billion.
- PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 147,686 crore (US\$ 17.92 billion).
- Between April 2000-June 2022, cumulative FDI equity inflows to India stood at US\$ 604,996 million.
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crore (US\$ 7.13 billion).
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

## GOVERNMENT INITIATIVES

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

- Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.
- India and Namibia entered into a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.

- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.
- In June 2022:
  - Prime Minister Mr. Narendra Modi, laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the groundbreaking ceremony of the UP Investors Summit in Lucknow.
  - The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of biocapsule, an encapsulation technology for bio-fertilization on 30 June, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.

- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

## ROAD AHEAD

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022-23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

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

## India Agricultural Irrigation Machinery Market Analysis

The Indian Agricultural Irrigation Machinery market is projected to register a CAGR of 5.3% during the forecast period.

Water scarcity being the major concern in the current agricultural scenario is the foremost driving factor for the growth of this sector followed by the awareness about the micro-irrigation system, and the need for high productivity to meet the food demand due to the increased population. According to the press released by the Ministry of Agriculture and Farmer's Welfare, 2021, the net irrigated area in the country is 68,649 thousand hectares. The agricultural land covered under micro-irrigation is 12,908.44 thousand hectares.

Micro irrigation system contributes around 18-20% of the total irrigation, consisting of both drip irrigation and sprinkler irrigation systems. States like Karnataka, Gujrat, Andhra Pradesh, Rajasthan, Maharashtra, and Haryana are some major states utilizing micro-irrigation systems attributed to the large cultivable area and area under irrigation. The Indian micro-irrigation market is highly competitive, with large and small-scale drip and sprinkler irrigation equipment producers and marketers across numerous states in India. Current agricultural scenario water scarcity has been a major challenge in India and is, thereby, a critical driver for the use of micro-irrigation machinery systems.

India faces typical water issues, primarily due to population growth and lack of availability of quality water, the demand for agricultural irrigation machinery is rapidly increasing in India. The irrigation machinery market in India is a high-volume and highly competitive space. The growth of the market has been consistent and is particularly high in the regions of Maharashtra, Andhra Pradesh, Gujarat, Karnataka, and Tamil Nadu. The impact of using drip irrigation is well perceived in the country due to the various political and social awareness campaigns that have promoted the technology in the country.

### India Agricultural Irrigation Machinery Industry Segmentation

Agricultural Irrigation Machineries are a system that distributes water under low pressure through a piped network and applies it as a small discharge to each plant. Micro-irrigation uses less pressure and water flow than sprinkler irrigation. The report presents a deeper analysis of Industry, Growth, and trend of Agricultural irrigation machinery with respect to India. The India Agricultural Irrigation Machinery Market is Segmented by Type into Sprinkler Irrigation, Drip Irrigation, and Pivot Irrigation and by Application into Crop and Non-Crop. The report offers the market size and forecasts for volume in (units) and value in (USD million) for all the above segments.

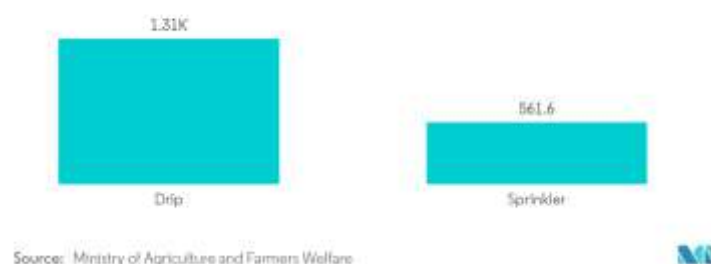
### Maharashtra is Dominating the Market

Maharashtra state dominates the Indian market for micro irrigation. The state government urged the central government to allocate more funds under the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) to bring at least 50% of agricultural land under micro-irrigation over the next five years. It also requested the central government to promote micro-irrigation to crops beyond high, water-intensive sugarcane and bananas under the 'More Crop Per Drop' scheme. The financial burden under micro-irrigation was shared by the central and state governments in a ratio of 60:40 for the year 2020. For instance, the proposed expenditure for micro-irrigation in Maharashtra is INR 653.33 crore (USD 80 million), of which the Central government's share is INR 400 crore (USD 49 million) and the state's share is INR 253.33 crore (USD 31 million).

The advent of mechanization has made farmers dependent on various sources for irrigation. However, mechanization in agriculture has moved well past tractors, to encompass every aspect of the crop production cycle. Farm mechanization not only increases productivity and yield per hectare, but it also helps to reduce water consumption per farm. However, in the current agricultural scenario water scarcity has been a major challenge in India and is, thereby, a critical driver for the use of micro-irrigation machinery systems. India faces typical water issues, primarily due to population growth and lack of availability of quality water.

Fragmented land requires a controlled amount of quality water, to be equally distributed where the irrigation system proves to be fruitful. Incentives from the government in the form of increased budgetary allocations to the farmers, and reduction of basic customs duty for the irrigation machinery manufacturers played a vital role in driving the growth of the irrigation machinery market in India. Up to 60 per cent of water used for sugarcane, banana, okra, papaya, bittergourd and few other crops could be saved if a drip irrigation system is employed for cultivation. But only four States — Sikkim, Andhra Pradesh, Karnataka and Maharashtra — have more than half of the net cultivated farmlands under micro-irrigation. 27 States (including UTs) in India have less than 30 per cent micro-irrigation system out of which 23 have less than 15 per cent micro-irrigation.

India Agricultural Irrigation Machinery Market : Area under Drip and Sprinkler Irrigation, in Thousand Hectares, Maharashtra, 2021



(Source: <https://www.mordorintelligence.com/industry-reports/india-agricultural-irrigation-machinery-market>)

## **ROAD AHEAD**

The agriculture sector in India is expected to generate better momentum in the next few years due to increased investment in agricultural infrastructure such as irrigation facilities, warehousing, and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to the concerted effort of scientists to get early maturing varieties of pulses and the increase in minimum support price.

In the next five years, the central government will aim US\$ 9 billion in investments in the fisheries sector under PM Matsya Sampada Yojana. The government is targeting to raise fish production to 220 lakh tonnes by 2024-25. Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP), and Good Hygienic Practices (GHP) by the food processing industry will offer several benefits.

Through the Ministry of Food Processing Industries (MoFPI), the Government of India is taking all necessary steps to boost investments in the food processing industry in India. Government of India has continued the umbrella PMKSY scheme with an allocation of Rs. 4,600 crore (US\$ 559.4 million) till March 2026.

## **ADVANTAGES**

1. **Robust Demand:**
  - Factors contributing towards the sharp growth in demand for processed foods include the increasing urbanization, increasing disposable incomes, changing spending patterns/ priorities, emergence of nuclear families and the growing need for convenience foods in dual income nuclear families.
2. **Competitive Advantage:**
  - India has access to several natural resources that provides it a competitive advantage in the food processing sector. Due to its diverse agro-climatic conditions, it has a wide-ranging and large raw material base suitable for food processing industries.
3. **Policy Support:**
  - Online, Competitive, Transparent Bidding System with 1.74 crore farmers and 2.39 lakh traders put in place under the National Agriculture Market (e-NAM) Scheme.
4. **Attractive Opportunities:**
  - Entry of foreign players have been key to sustainable growth in some sectors such as dairy.
  - Indian consumers are rapidly changing their eating habits. Trends indicate a sharp increase in on-the go eating, snacking in between meals, switching to healthier eating alternatives, precooked ready to eat meals and increasing consumption of organic foods. This has led to a host of new opportunities in the consumer foods market for both domestic and international companies to build a stake in this fast-growing processed food market.

## **GROWTH IN AGRICULTURE**

In India, agriculture is the primary source of livelihood for ~55% of the population.

- As First Advance Estimates) of country's Agriculture and allied activities recorded a growth rate of 3.5-4% in FY 2021-22.
- As per the First Advance Estimates of National Income, 2021-22 released by National Statistical Office (NSO), Ministry of Statistics & Programme Implementation, the agriculture and allied sectors contributed approximately 18.8 % of India's GVA at current prices during 2021-22.
- As per the Budget 2022-23, Rs. 20 lakh crore (US\$ 24.41 billion) agricultural credit targeted at animal husbandry, dairy and fisheries.
- For the year 2022-23, an export target of US\$ 23.56 billion has been fixed for the agricultural and processed food products basket and an export of US\$ 17.435 billion has already been achieved in eight months of the current fiscal.
- Between April 2000-September 2022, FDI in agriculture services stood at US\$ 410.62 million.
- According to Bain & Co., the Indian agricultural sector is predicted to increase to US\$ 30-35 billion by 2025.

## **STRATEGIES ADOPTED**

### **1. Rising business and product innovation**

- India's food service market is expected to reach US\$ 79.65 billion by 2028, growing at a CAGR of 11.19% from US\$ 41.1 billion in 2022.

- The government is promoting the use of drones in agriculture by providing financial assistance through the 'Sub-Mission on Agriculture Mechanization'.
- Government aims to make India a global hub for 'Shree Anna', the Indian Institute of Millet Research, Hyderabad will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level.
- National Agriculture Market (eNAM) is a pan-India electronic trading portal which networks the existing APMC mandis to create a unified national market for agricultural commodities. Integration of APMCs across the country through a common online market platform to facilitate pan-India trade in agriculture commodities, providing better price discovery through transparent auction process based on quality of produce along with timely online payment.

## 2. Research

- As per the Union Budget 2023-24, government aims to make India a global hub for 'Shree Anna', the Indian Institute of Millet Research, Hyderabad will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level.
- Agriculture Accelerator Fund to be set-up to encourage agri-startups by young entrepreneurs in rural area.

## 3. Low-cost price strategy

- Low-cost price strategy is adopted so as to make the product affordable to consumers by guaranteeing them value for money. For example, to penetrate deeper into the Indian households Kissan adopted a low-cost price strategy also known as penetration pricing strategy to make its products affordable and attractive to the consumers by giving them value for money.
- The demand for processed foods in India is constrained by low income and sociocultural factors.

## GROWTH DRIVERS OF INDIAN AGRICULTURE

### 1. Demand-side drivers

- Rapid population expansion in India is the main factor driving the industry.
- Changing lifestyle and food habits due to increased disposable income
- The demand for processed foods in India is constrained by low income and socio-cultural factors.

### 2. Supply-side drivers

- According to the Center for Environment and Agriculture (CENTEGRO) and Crop Care Federation of India (CCFI), India can become the 'global agricultural hub' for other countries, which have harsh weather, scarce labour and lands, and are seeking to outsource their agriculture.
- High level of agricultural production - large livestock base, wide variety of crops, inland water bodies and a long coastline, help increase marine production.
- Bringing Green Revolution to Eastern India (BGREI).

### 3. Policy support

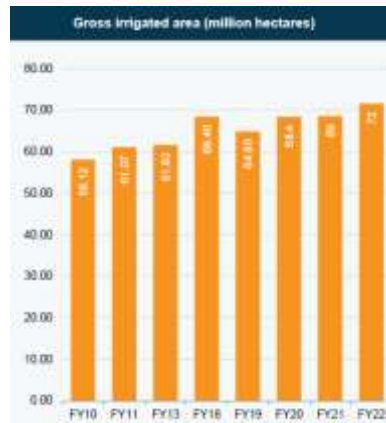
- A new sub-scheme of PM Matsya Sampada Yojana with targeted investment of Rs. 6,000 crore (US\$ 729 million) to be launched to further enable activities of fishermen, fish vendors, and micro & small enterprises, improve value chain efficiencies, and expand the market.
- Online, Competitive, Transparent Bidding System with 1.74 crore farmers and 2.39 lakh traders put in place under the National Agriculture Market (e- NAM) Scheme.

## GROWING AREA UNDER IRRIGATION

- Gross irrigated area under food grains was estimated to reach 64.8 million hectares in FY19.
- Of the wide variety of crops in India, rice and wheat are the most irrigated.
- Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) has been formulated with the vision of extending the coverage of irrigation 'Har Khet ko pani' and improving water use efficiency 'More crop per drop' in a focused manner with end-to-end solution on source creation, distribution, management, field application and extension activities.
- PMKSY has been formulated amalgamating ongoing schemes viz. Accelerated Irrigation Benefit Programme (AIBP) of the Ministry of Water Resources, River Development & Ganga Rejuvenation (MoWR,RD&GR), Integrated Watershed Management Programme (IWMP) of Department of Land Resources (DoLR) and the On Farm Water Management (OFWM) of Department of Agriculture and Cooperation (DAC).



- Under PMKSY-Per Drop More Crop, an area of 32.697 lakh hectare (ha) has been covered under micro irrigation in the country.
- Under PMKSY-HKKP- Repair, Renovation and Restoration of water bodies (RRR of water bodies), a total of 395 water bodies have been taken up during 2018-2021.
- Climate-Smart Farming Practices: This is slowly gaining acceptance with farmers using clean energy sources like solar for irrigation.



## COMPETITIVE ADVANTAGE

- India has access to several natural resources that provides it a competitive advantage in the food processing sector. Due to its diverse agro-climatic conditions, it has a wide-ranging and large raw material base suitable for food processing industries.
- The Government of India targets production of 32 million tonnes of pulses by 2030.

## OPPORTUNITIES

### 1. Supply chain infrastructure

- Technology-driven, integrated supply chains enable entities to reduce inventory and costs, add product value, extend resources, accelerate time to market, expand market, increase pricing for sellers and variety for buyers as well as retain customers.
- In order to have a successful supply chain, the Indian Government has sought to involve multiple stakeholders to improve interactions between farmers, processors, distributors and retailers.
- The nation's processed food industry is expected to grow to US\$ 958 billion by 2025 at a compound annual growth rate (CAGR) of 12%.

### 2. Potential global outsourcing hubs

- Huge opportunity exists for agri input segments like seeds and plant growth nutrients.
- According to the Center for Environment and Agriculture (CENTEGRO) and Crop Care Federation of India (CCFI), India can become the 'global agricultural hub' for other countries, which have harsh weather, scarce labour and lands, and are seeking to outsource their agriculture.

### 3. Farm management services

- Given the importance of agriculture in India, both the government and private players are working to improve the efficiency and productivity of Indian agriculture and exploring how Farming as a Service (FaaS) solutions can play a role.
- FaaS seeks to provide affordable technology solutions for efficient farming. It converts fixed costs into variable costs for farmers, thus making the techniques more affordable for a majority of small farmers. Its services are available on a subscription or pay-per-use basis in three broad categories, which are crucial across the agriculture value chain.

(Source: [https://www.ibef.org/download/1682310016\\_Agriculture-and-Allied-Industries-February-2023.pdf](https://www.ibef.org/download/1682310016_Agriculture-and-Allied-Industries-February-2023.pdf))

## BUSINESS OVERVIEW

Some of the information in this chapter, including information with respect to our plans and strategies, contain forward looking statements that involve risks and uncertainties. You should read **“Forward-Looking Statements”** beginning on page 13 for a discussion of the risks and uncertainties related to those statements and also **“Risk Factors”**, **“Restated Financial Statement”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** beginning on pages 23, 153 and 192 respectively of this Prospectus, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Restated Financial Statement” beginning on pages 23, 192 and 153 respectively of this Prospectus. The financial figures used in this chapter, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to “Polysil Irrigation Systems Limited”, ‘the Company’, ‘our Company’, ‘POLYSIL’ and ‘the Issuer’ and the terms ‘we’, ‘us’ and ‘our’, are to Polysil Irrigation Systems Limited.*

### BACKGROUND

Incorporated in 1985 our Company is a fully integrated player within the drip irrigation and sprinkler irrigation sectors, with presence in micro irrigation industry. Our products are reckoned to meet high quality standards and our brand is associated with providing value-based irrigation solutions to our end customers and are subject to BIS standards. Our Company is engaged in manufacturing and sale of HDPE pipes, fittings and micro irrigation systems, such as drip irrigation system and sprinkler irrigation system, its components, accessories and allied products.

As a manufacturer and seller of drip and sprinkler irrigation system our product range includes HDPE Pipes, pipe fittings and irrigation equipment’s, including disc filters, screen filters, hydro-cyclone filters, sand filters (gravel), compression fittings, valves (electrical and mechanicals), fertilizer tanks, Digital Controllers, Pressure Gauges, etc. We sell these products under the brand “Polysil”.

We sell our products through institution markets and open market sale. Under the open market sale, we sell our products through distributors and dealers, who then resell the products to customers i.e. farmers. As of August 15, 2023, we sold our products through 9 distributors and around 425 dealers in India. Our end customers are eligible to receive government subsidy, the process for disbursement of such subsidy is managed by our distributor / dealers and/or our customers. We operate in the state of Gujarat, Tamil Nadu, Maharashtra, Andhra Pradesh, Karnataka, Madhya Pradesh, Uttar Pradesh, Rajasthan and Haryana. We operate in the State of Maharashtra, Madhya Pradesh and Rajasthan through our dealer / distributor network and in the State of Andhra Pradesh, Gujarat, Tamil Nadu, Haryana and Uttar Pradesh under institutional model.

Our current Promoters, who are the driving force behind the growth of our Company, between themselves have in-depth knowledge and good experience of the micro irrigation industry. Our Promoters share various functional responsibilities amongst themselves for effective management and are well supported by qualified and experienced professionals at different levels with appropriate functional responsibilities. As on December 31, 2023, our overall staff strength is 52 employees including skilled and unskilled labour, administrative staff and management team.

Our existing manufacturing unit is spread around 100,000 sq. ft. area is situated at RS NO.340/1, Beside Hystuff Steel, Village Rania, Taluka. Savli, Dist. Vadodara Manjusar, Vadodara, Gujarat is equipped with requisite plant and machineries and other facilities. We also have in-house testing laboratory for quality control checks and testing our products. Our manufacturing unit and our products are accredited with IS 4984:2016 for polyethylene pipes for water supplies, IS 13487:2016 for irrigation equipment emitters, IS 13488:2008 for irrigation equipment – emitting pipe systems, IS 14151:2008 for irrigation equipment – sprinkler pipes, polyethylene pipes and fitting for sprinkler irrigation systems and IS 12786:1989 for irrigation equipment – polyethylene pipes for irrigation laterals. We purchase the irrigation equipment’s and accessories such as, disc filters, screen filters, hydro-cyclone filters, sand filters (gravel), compression fittings, valves (electrical and mechanicals), fertilizer tanks, Digital Controllers, Pressure Gauges, etc from third-party manufacturers who also manufacture these products as per our specification and also under the brand “Polysil”.

Our basic raw material includes HDPE, LLDPE and LDPE granules and we procure our raw materials based on market availability, pricing and quality from the domestic market and also from international market. The cost of materials consumed (including purchase of stock in trade) by us in our operations accounted for 46.45%, 37.29% and 34.55% of our revenue from operations for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Our revenue from operations for the period ended on August 15, 2023 and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 was ₹ 1018.74 Lakhs, ₹ 4387.66 lakhs, ₹ 3762.08 lakhs and ₹ 5458.80 lakhs, respectively. Our profit before tax for the period ended on August 15, 2023 and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 was ₹ 173.48 ₹ 265.04 lakhs, ₹ 68.30 lakhs and ₹ 103.85 lakhs, respectively. Our profit after tax for the period ended August 15, 2023 and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 was ₹ 110.31 Lakhs ₹ 113.52 lakhs, ₹ 33.75 lakhs and ₹ 64.81 lakhs, respectively.

### OUR PRODUCTS

#### *Product description*

Our Company is engaged in manufacturing and sale of micro irrigation system, consisting of drip irrigation system and sprinkler irrigation system, its components, accessories, including irrigation accessories and allied products. Drip irrigation systems are used primarily for irrigating new crops such as vegetables, flowers, fruits, plantation crop, etc., while the sprinkler irrigation system is used primarily for irrigating broadcast crops such as cereals, oilseeds, etc. Set forth herein below is the portfolio of some of our products:

Verticals	Products
HDPE/LLDPE/PVC pipe	<ul style="list-style-type: none"> <li>• HDPE Pipes are made of either of three grades of High Density Poly Ethylene polymers</li> <li>• The LLDPE pipe coils are also known as Drip Laterals. They are used as the end part of any Drip Irrigation system</li> <li>• PVC pipes are made of pure virgin Poly Vinyl Chloride.</li> </ul>
HDPE sprinkler systems	<p>Sprinkler Irrigation is a method of applying irrigation water which provides a rainfall-like effect. Water is distributed through a system of pipes usually by pumping. It is then sprayed into the air and the entire soil surface is irrigated through spray heads so that it breaks up into small water droplets that fall on the ground. Some of the products that forms part of sprinkler system includes</p> <ul style="list-style-type: none"> <li>- HDPE Sprinkler pipes</li> <li>- Rain Gun</li> <li>- Overhead Sprinkler Nozzle</li> <li>- Riser pipe</li> <li>- Bend</li> <li>- Foot batten assembly</li> <li>- Pump connecting nipple</li> </ul>
Drip irrigation system	<p>Drip irrigation systems distribute water by way of dripping through a network of valves, pipes, tubing, and emitters. Some of products under drip irrigation system includes</p> <ul style="list-style-type: none"> <li>- Emitting pipes (Flat Emitter &amp; Hydrogol Emitter)</li> <li>- Plain lateral</li> <li>- Valves</li> <li>- Joiners</li> <li>- Pressure gauge</li> <li>- Filter</li> </ul>

#### Agronomy Service:

- The Company provides crop management practices and crop solution for all crop with experienced agronomist team for their customers who installed Polysil drip & mini sprinkler irrigation system.
- The agronomist team provide all agricultural and horticultural crop solution like fertigation & irrigation scheduling, pest and diseases control management, harvesting process, selling process for higher price, seeds and soil practices etc for the quality with higher yield/production for the benefit of farmer.

#### After Sale Service

- Minor repairing due to manual damage.
- Maintenance for increase life of products.
- Repairing or replacement of defective parts.

#### Product wise revenue

We operate through our three distinct product verticals, (i) HDPE/LLDPE/PVC pipe; (ii) HDPE sprinkler systems; and (iii) drip irrigation system. Our revenue from our products verticals for the periods is as set forth below:

(₹ in lakhs)

Name of Products	As on August 15, 2023	As % of Revenue from Operations	As on March 31, 2023	As % of Revenue from Operations	As on March 31, 2022	As % of Revenue from Operations	As on March 31, 2021	As % of Revenue from Operations
HDPE/LLDPE/PVC pipe	694.48	66.74%	1105.47	25.05%	79.28	2.01%	705.19	12.70%
HDPE sprinkler systems	1.42	0.14%	87.68	1.99%	144.04	3.66%	1,118.28	20.14%
Drip irrigation system	344.63	33.12%	3219.96	72.96%	3,713.94	94.33%	3,730.37	67.17%
<b>Total</b>	<b>1040.53</b>	<b>100.00</b>	<b>4413.11</b>	<b>100.00</b>	<b>3,937.27</b>	<b>100.00</b>	<b>5,553.85</b>	<b>100.00</b>

Revenue bifurcation of products manufactured by the Company on its own and products manufactured by third parties

(₹ in lakhs)

Name of Products	As on August 15, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
<b>Manufacturing</b>				
HDPE/LLDPE/PVC pipe	640.79	943.81	66.63	552.02
HDPE Sprinkler Systems	1.10	336.15	587.59	875.39
Drip Irrigation System	221.30	2,709.66	2533.36	2,920.12
<b>Total</b>	<b>863.19</b>	<b>3989.62</b>	<b>3187.58</b>	<b>4347.53</b>
<b>Trading</b>				
HDPE/LLDPE/PVC pipe	53.69	189.04	336.15	153.17
HDPE Sprinkler Systems	0.32	144.07	251.84	242.89
Drip Irrigation System	123.33	90.38	161.70	810.25
<b>Total</b>	<b>177.34</b>	<b>423.49</b>	<b>749.69</b>	<b>1206.31</b>

#### State wise revenue

We presently supply our products in the domestic market. Our revenue state wise is detailed as under:

State	As on August 15, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Gujarat	130.97	1464.93	1046.38	1602.74
Maharashtra	584.96	1724.12	2059.18	1867.05
Tamil Nadu	16.27	115.69	617.85	2000.56
Madhya Pradesh	93.47	307.20	181.85	60.99
Rajasthan	-	53.96	2.49	22.51
Haryana	144.26	481.93	29.52	-
Uttarakhand	70.67	250.36	-	-
Others	-	14.92	-	-
<b>Total</b>	<b>1,040.6</b>	<b>4413.11</b>	<b>3937.09</b>	<b>5553.85</b>

#### Our Business Model:

Our micro irrigation systems (MIS) business is dependent upon the subsidy provided by the government (Central and State), which makes our business working capital intensive. The subsidy portion is about 50% to 70% of the approved cost of MIS. The farmer who purchases the MIS bears 30% - 50% of the cost and pays the same to our dealer/distributor; upon completion of installation and verification by empanelled/appointed agencies of the Government, subject to compliance of certain conditions and after a period of 2 – 8 months, the remaining cost of purchase of the MIS i.e., 50% -70% is paid to us by the Government as subsidy. We operate in Open Market, Institutional sales as well as the Project Market:

#### Open Market

In the Open Market, we sell our products to channel partners, distributors or dealers who pay us with minimum credit period. Our distributors/dealers in turn sell it to farmers. Part of the purchase cost is met by the farmers and the remaining amount i.e., the subsidy is paid to our dealers/distributors/company by government agencies. We sell our products through open market in the State of Maharashtra, Madhya Pradesh and Rajasthan.

#### Institution and Project Market

In the Institution Market, we get work orders directly from nodal agencies of various state governments after loan tie ups/Contribution by farmers and determination of subsidy eligibility by the nodal agencies. MIS is installed only after receipt of the work order from the nodal agencies which enables us to secure release of payments under the project market. Further, we also sell our products under the tender route which is categorised as project market sale. The subsidy portion is paid to us over the period of 2 to 6 months and subject to compliance of certain prescribed conditions under the respective subsidy scheme. At present we operate in the states of Andhra Pradesh, Gujarat, Tamil Nadu, Haryana and Uttar Pradesh. Further, our Company also participates in the tenders floated by various government and semi-government agencies.

#### Revenue based on sales channel

(₹ in lakhs)

Particulars	As on July 31, 2023	As % of Revenue from Operations	As on March 31, 2023	As % of Revenue from Operations	As on March 31, 2022	As % of Revenue from Operations	As on March 31, 2021	As % of Revenue from Operations
Open Market Sale	653.65	62.82%	2034.89	46%	2061.67	52%	1889.56	34%
Institution sale	386.86	37.18%	2378.22	54%	1875.42	48%	3664.29	66%

### Key Performance Indicators of our Company.

Particulars	As on August 15, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Revenue from Operations (₹ in Lakhs) <sup>(1)</sup>	1,018.74	4,387.66	3,762.08	5,458.80
Growth in Revenue from Operations (%)	NA	16.62%	(31.08%)	36.89%
EBITDA (₹ in Lakhs) <sup>(2)</sup>	256.54	462.01	290.21	318.61
EBITDA Margin (%) <sup>(3)</sup>	25.18%	10.53%	7.71%	5.84%
Restated Profit After Tax for the Year (₹ in Lakhs) <sup>(4)</sup>	110.31	113.53	33.75	64.81
PAT Margin (%) <sup>(5)</sup>	6.70%	2.59%	0.90%	1.19%
Net Worth (₹ in Lakhs) <sup>(6)</sup>	1,646.02	1,535.71	1,372.06	1,338.31
Capital Employed (₹ in Lakhs)	3,212.19	3,041.33	2,851.93	2,420.24
ROE (%) <sup>(7)</sup>	6.70%	13.84%	2.96%	5.15%
ROCE (%) <sup>(8)</sup>	7.16%	12.81%	6.02%	8.59%

Notes:

<sup>(1)</sup> Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.

<sup>(2)</sup> Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.

<sup>(3)</sup> EBITDA is calculated as Profit before tax + Depreciation & amortisation + Finance Cost - Other Income

<sup>(4)</sup> EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations

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

<sup>(6)</sup> Net worth is aggregate value of the paid-up equity share capital of the Company and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, excluding revaluation reserves if any, as per Restated Financial Information.

<sup>(7)</sup> Return on Equity (%) refers to restated profit for the year/period attributable to equity shareholders of our Company (net of deferred tax) divided by average shareholder's equity.

<sup>(8)</sup> Return on Capital Employed is calculated as earnings before interest and taxes divided by Capital Employed.

-Earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs.

-Capital Employed is calculated as total equity plus total borrowings minus intangible assets and deferred tax.

## OUR COMPETITIVE STRENGTHS

### Strong Marketing and Distribution network

Our success depends upon our strong Marketing and distribution network in the Open Market where we directly approach to farmers for installation of MIS after analyzing and studying their requirements. In the Open Market, we access direct and indirect sales channels for marketing of our products. Under direct sales, our marketing team approach directly to large end users whereas under indirect sales channel, we have dealers and distributors for marketing of our products. As of August 15, 2023, we have 425 dealers and around 9 distributors covering 6 states viz Maharashtra, Madhya Pradesh, Gujarat, Haryana, Tamil Nadu and Uttar Pradesh. Our Company has a strong distribution system which includes different stock points at various places across these States. These stock points enhance the reach and access of the products at the door step of the farmers.

### Robust and Scalable Business Model

Our micro irrigation business is dependent on government subsidy. We operate in open market as well as the institution and project market. In open market, we sell our products to channel partners or dealer who pays us upfront or with minimum credit period. Our dealers in turn sell it to farmers and after completion of installation and verification, receive subsidy payment from government agencies. In institution and project market, we directly get work orders from nodal agencies of various states after loan tie ups/Contribution by farmers and determination of subsidy eligibility by the nodal agencies and in case of project market we participate in the tender floated by various agencies. Micro irrigation system is installed only after receipt of the work order from the nodal agencies which enables us to secure release of payments under the institution and project market. At present, we operate on institution and project market basis in the states of Andhra Pradesh, Gujarat, Tamil Nadu, Haryana and Uttar Pradesh.

### Diversified customer base and long-standing relationship with our customers

We have a well-diversified customer base all over India, wherein we provide the products and the services as per their requirements. This reduces the intensity of any significant single customer's contribution in our revenues. Our products are used in various industries like agriculture, horticulture sector. Further, our customer base is widely spread and we are not dependent on few customers. Our top ten customers contribute 60.48% of our revenue from operations for the Fiscal 2023 whereas 95.28% of our revenue from operations for the period ended August 15, 2023. Since, our sales are driven by dealers and distributors, of the 425 dealers we have as on August 15, 2023, our relationships with most of these dealers span over multiple years.

Our continuous focus on providing quality products and services consistently to our customers has helped us nurture long-term relationships with our dealers and distributors. Our track record of delivering timely services and demonstrated industry expertise has helped in forging strong relationships with them.

#### ***Diversified Product Portfolio:***

Our Company has a varied product base to cater to the requirements of our customers. Our product portfolio includes diversified variety of products that finds its application in the irrigation systems. Our irrigation equipment's includes drip irrigation systems, sprinkler irrigation systems, disc filters, screen filters, hydro-cyclone filters, sand (gravel) filters, compression fittings, valves (electric & mechanical), fertilizer tanks, digital controllers, pressure gauges, etc. are widely used in agriculture and horticulture sector. Our range of products allows our existing customers to source most of their product requirements from a single vendor and also enables us to expand our business from existing customers, as well as address a larger base of potential new customers.

#### ***Experienced Promoter Directors with extensive domain knowledge***

We are led by our Promoter Directors comprising our Managing Director and CEO, Bharatkumar Patel and our Whole Time Director, Prafulbhai Radadia who have a collective experience of over 20 years in the micro irrigation system industry. Our Promoter Directors are involved in various aspects of our business, including manufacturing, sales and marketing, strategy and growth initiatives.

We believe that the experience, depth and diversity of our Promoter Directors have enabled our Company to scale our operations in micro irrigation system industry. Their industry experience enables us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships and respond to changes in customer preferences.

For further information on our Promoter Directors please see the chapter entitled "***Our Promoter and Promoter Group***" and "***Our Management***" beginning on pages 147 and 133, respectively

### **OUR BUSINESS STRATEGIES**

#### ***Increasing Geographical Presences***

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing our product portfolio. Enhancing our presence in additional regions will enable us to reach out to a larger market. Further, our Company believes in maintaining long term relationships with our customers. We aim to achieve this by maintaining the high quality, timely delivery, competitive pricing and reliability of our products. Currently we are operation in 9 states viz. Gujarat, Tamil Nadu, Maharashtra, Andhra Pradesh, Karnataka, Madhya Pradesh, Uttar Pradesh, Rajasthan and Haryana. Through our dealer/distributor /agents network in future, we intend to enter and capture new markets in the states of Punjab, Bihar, Orrisa, Chhattisgarh and Telangana and increase our geographical presence, especially in the African countries like Uganda, Kenya and Tanzania and thereby increase our customer base. While we have exported to Thailand in the past, we intend to increase our presence there.

#### ***Focus on quality***

Our Company intends to focus on adhering to the quality of our offerings. This is necessary so as to make sure that we maintain the high-quality standards for our offerings and get repeat orders from our customers. This will also aid us in enhancing our brand value and further increase the business.

#### ***Introduction of New Product Line***

Currently we are manufacturing products which are covered under drip line irrigation and cylindrical dripper category. With our expansion plans and installation of new machineries, we will be able manufacture products which are covered flat drip line irrigation category which has advantages over our existing product line. Flat Dripper Line products can be used for all sizes (12mm, 16mm & 20mm) and wall thickness (0.2mm, 0.3mm & 0.4mm).

#### ***Providing Value Added Services***

We believe that growth of business will further depend upon the value added services to our customers who are basically farmers. Currently we do provide after sale services and agronomy services. Moving forward, we intend to provide other value added services and train and educate our customers regarding benefits and advantages of micro irrigation system and thereby adding value.

#### ***Improve and increase operational efficiencies***

We will continue to focus on further increasing our operations and improving operational effectiveness at our production facilities. Higher operational effectiveness results in greater production volumes and greater sales, and therefore allows us to spread fixed costs



over a higher number of units sold, thereby increasing profit margins. We will also continue to identify various strategic initiatives to improve our operational efficiencies and reduce operating costs. We continue to focus on investing in automation, modern technology and equipment to continually upgrade our products including the quality of our products to address changing customer preferences as well as to improve operational efficiency.

### OUR MANUFACTURING UNIT

Our Company operates from a single manufacturing unit located at RS NO.340/1, Beside Hystuff Steel, Village Rania, Taluka. Savli, Dist. Vadodara Manjusar, Vadodara, Gujarat which is spread over 100,000 sq. ft. Existing manufacturing facilities includes various machineries for blow molding, injection molding and custom molding.



### Our Equipment

The details of existing Plant & Machinery for the unit are given below:

Sr. No.	Description	Make	Quantity	Owned/ Lease by the Company
1	Extrusion	R R Plast Extrusions Pvt Ltd	1	Owned
2	Extrusion	Kabra Extrusion Technic Ltd	1	Owned
3	Flat Extrusion	Kabra Extrusion Technic Ltd	1	Owned
4	small Extrusion-HDPE	Kabra Extrusion Technic Ltd	1	Owned
5	small Extrusion-HDPE	Kabra Extrusion Technic Ltd	1	Owned
6	HDPE Extrusion	Suzhou Jwell Machinery Company Ltd	1	Owned
7	Big Extrusion	Kabra Extrusion Technic Ltd	1	Owned
8	Injunction moulding	Ferromatik Milacron	1	Owned

### Capacity & Capacity Utilization

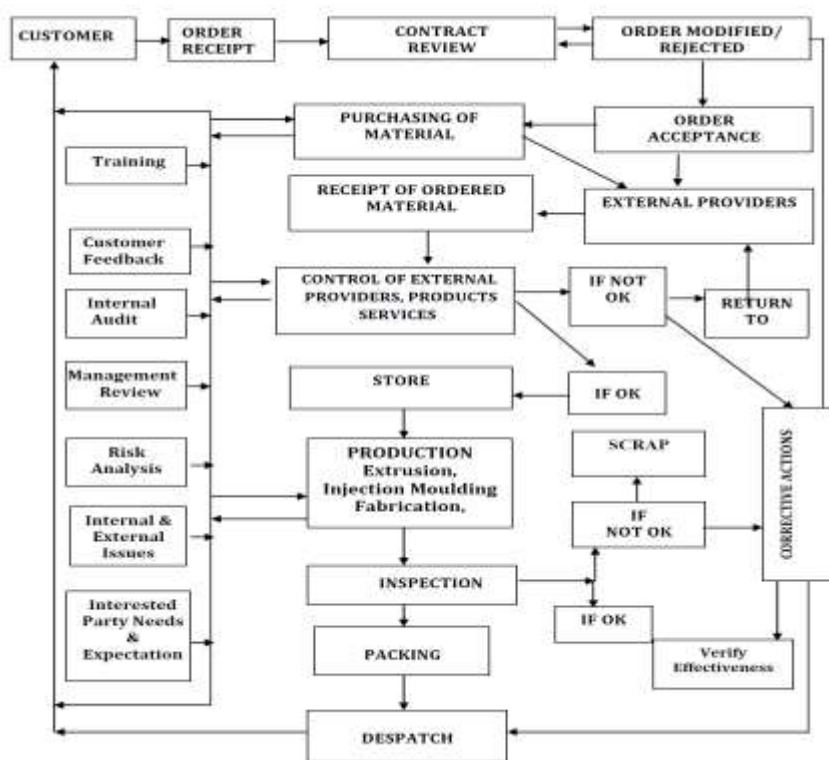
Set forth below are details of the installed capacity and the utilized capacity, for the period ended August 15, 2023, for the Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022 and for the Financial Year ended March 31, 2021



Particulars	For the period ended August 15, 2023	Financial Year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
<b>Drip irrigation system products</b>				
Installed capacity (Kgs p.a.)**	24,30,000	64,80,000	64,80,000	64,80,000
Capacity Utilization (Kgs)	3,49,761.34	7,75,381	15,21,219	12,26,000
Capacity Utilization (%)		11.97%	23.48%	18.92%
<b>HDPE &amp; HDPE Sprinklers</b>				
Installed capacity (Kgs p.a.)	56,05,200	1,49,47,200	42,33,600	42,33,600
Capacity Utilization (Kgs)	4,31,448.12	8,67,243	5,62,901	3,49,789
Capacity Utilization (%)		5.80%	13.30%	8.26%

\*As certified by M/s Ramesh Vaghela, Independent Chartered Engineer, vide their certificate January 29, 2024.

### Our Manufacturing Process



### Drip & mini sprinkler irrigation system

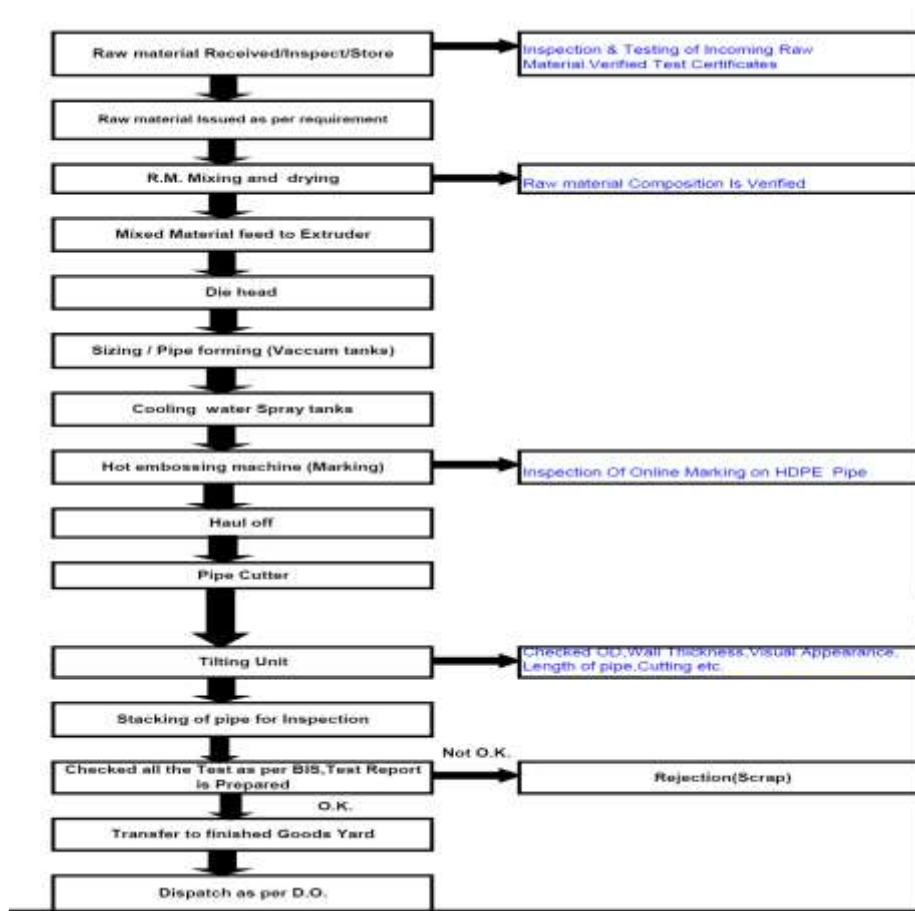
The Company provides tailor made drip as well as mini sprinkler irrigation systems to the farmers based on the field suitability. These systems are easy to operate and maintain. We also deliver system with smart water management technology, modern fertigation technology and effective filtration technology for efficient uses of natural resources like soil and its nutrients, water, energy. We design and deliver systems for all agricultural and horticultural crops based on customer requirements. Salient Features are:

### Overhead sprinkler irrigation system

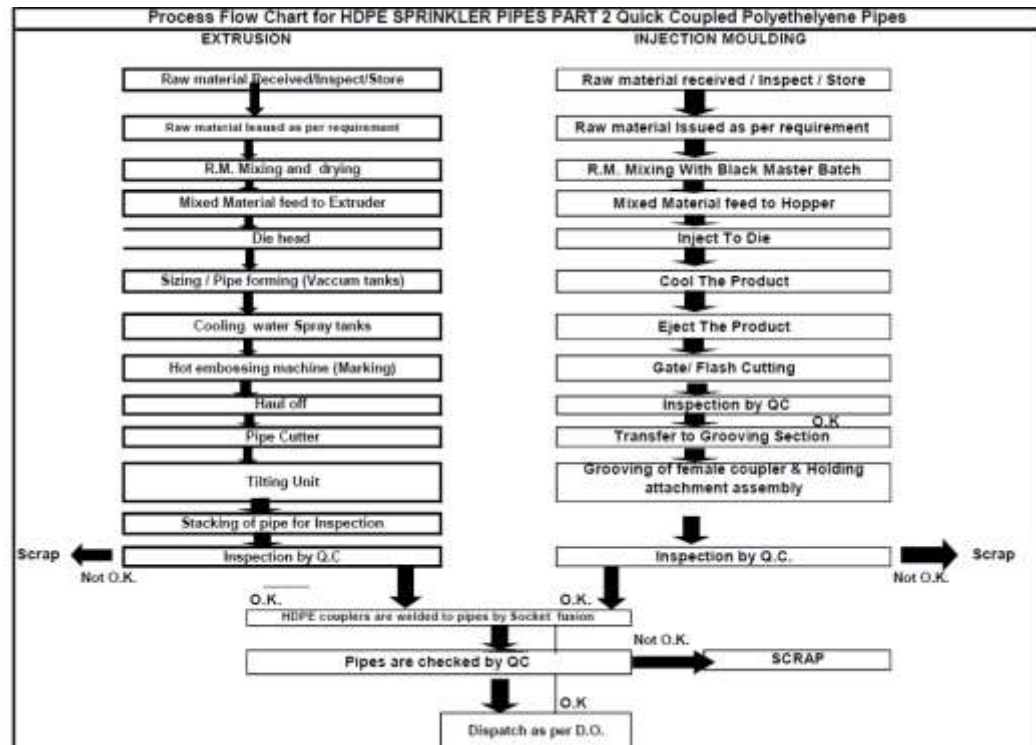
We are producing the high-quality HOPE pipes, fittings and sprinkler systems as per IS 14151 Part-I and Part-II, sizes from 40 mm to 140 mm for all pressure classes. We manufacture these products from the high-quality HOPE polymers from the fully automated machines. These pipes are joined with the help of couplers by the latest socket fusion technology and are welded by our expert technician. We conduct the line testing of all our products supplied by us at maximum pressure ratings for HOPE sprinkler systems. Salient Features are: easy to handle and use, flexible and hence perfect for laying on undulated land, leak proof and fully tested, rust proof and uv stable, smooth internal surface and hence low friction loss, quick coupling allows the easy joining/rejoining and shifting, effective use of water, water fertilizer and power, safety of crops and reduction of soil erosion.

### Applications of overhead sprinkler

- 1) Agriculture-Effective irrigation of Soya-bean, Gram, Groundnut, Pulses etc.
- 2) Industrial-Controlling of dust pollution in cement industries and mining pits
- 3) Others-Play Ground and Golf course maintenance, Land Decor and Beautification, Fish rearing

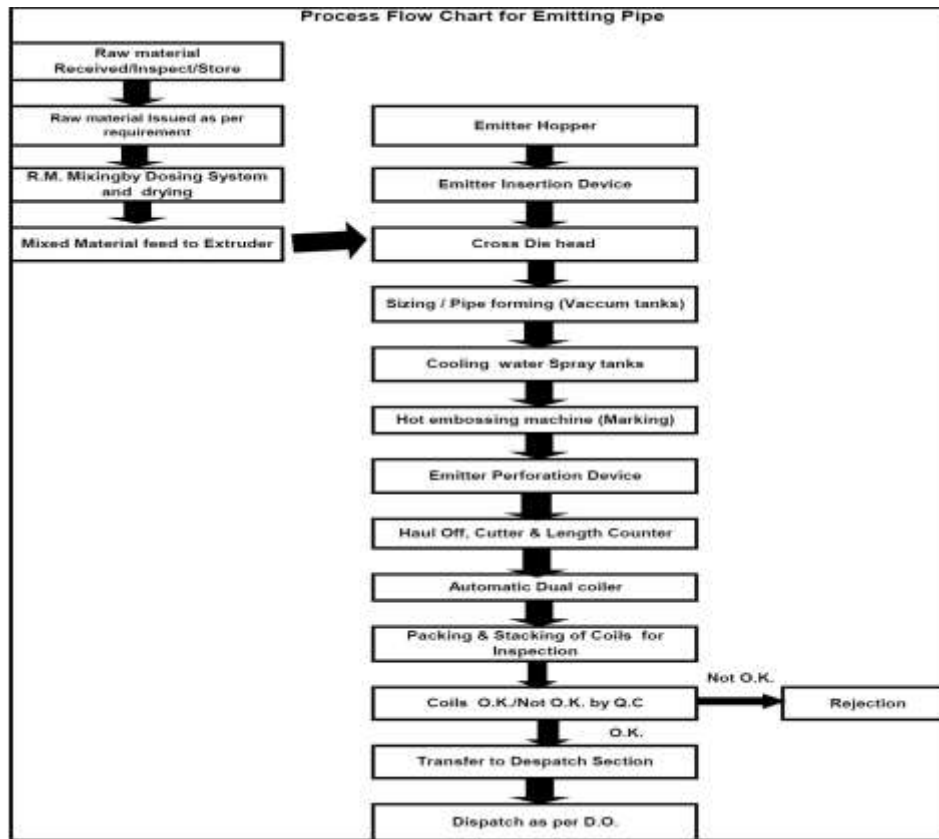


Process flow chart of Production of HDPE Pipes IS 4984:2016



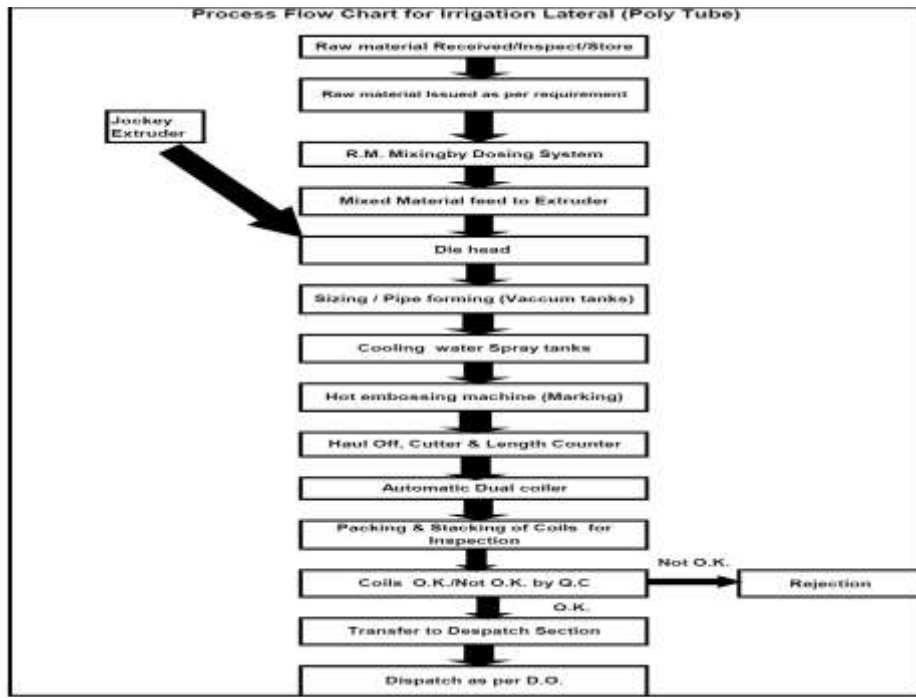
**EMITTING PIPE MANUFACTURING PROCESS.**

Raw Material is loaded in the Gravimetric Dosing System by Hopper loader and material is mixed based on the requisite proportion. Then material is being fed to the barrel of the extruder from hopper by gravitational force. Plastic granules are then ushed forward in the barrel by the pumping action caused by the rotation of the screw. This causes the material to soften due to the temperature of barrel & frictional heat. This molten material is being pushed to the cross head due to the back pressure of the material. Same material is being extruded through annular gap of the die to form the tube shape. Emitters are pushed inside the die through the hollow portion of the die at regular interval as per the requirement of spacing. Emitters get bonded from inside with molten material. Later the molten material is being passed through the sizing unit where tube outside diameter is being calibrated by vaccum pressure & material solidify by water spray cooling. Later Emitting pipe is being passed through cooling trough to have further better cooling. Then emitting pipe goes through online by Laser Printing machine, Here Trade Mark, Brand Name, Size, Emission rate, Class, Spacing, Category & batch no etc are hot embossed in every one meter interval on the emitting pipe. Then pipe goes to the goes through the perforation unit, Here Emitters are perforated. All the way this pipe is pulled by the Haul Off unit where the length counter meter & Cutter is provided. Then the Emitting Pipe is Coiled through the automatic Coiler. Samples are drawn by Quality control for Checking. If sample found OK than coils are Packed, Labeled & shifted to Dispatch Section.



**IRRIGATION LATERAL PIPE (POLY TUBE) MANUFACTURING PROCESS.**

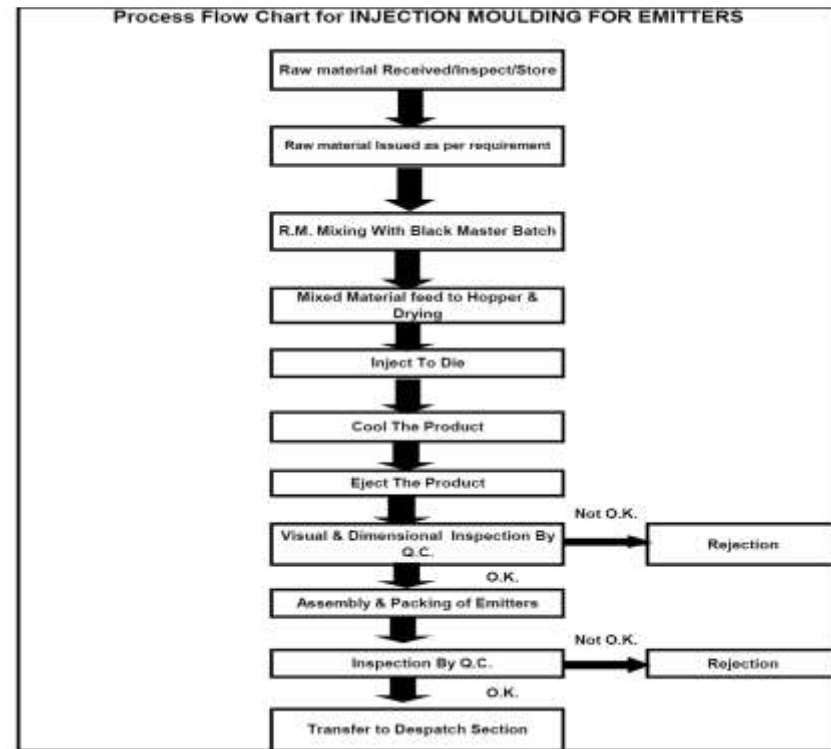
Raw Material is loaded in the Gravimetric Dosing System by Hopper loader. Material is mixed with proper proportion. Then material is being fed to the barrel of the extruder from hopper by gravitational force. Plastic granules were pushed forward in the barrel by the pumping action caused by the rotation of the screw. During the movement material soften due to the temperature of barrel & frictional heat. This molten material is being pushed to the Die head due to the back pressure of the material. Same material is being extruded through annular gap of the die to form the tube shape. Jockey extruder is attached for colour line. Later the molten material is being passed through the sizing unit where tube outside diameter is being calibrated by vacuum pressure & material solidify by water spray cooling. Later lateral pipe is being passed through cooling trough to have further better cooling. Then lateral pipe goes through online by Laser Printing machine, Here Trade Mark, Brand Name, Size, Class, Material Grade & batch no etc. are hot embossed in every one meter interval on the lateral pipe. All the way this pipe is pulled by the Haul Off unit where the length counter meter & Cutter is provided. Then the Lateral Pipe is Coiled through the automatic Coiler, Coils are Strapped. Samples are drawn by Quality control for Checking. If sample found OK than coils are shifted to Dispatch Section.



**EMITTERS MANUFACTURING PROCESS.**

For Emitters first Material will be blended with black/blue master batch. Then material is being feed to hopper of INJECTION MOULDING MACHINE by gravimetric system. Mould is fitted as per the requirement of Male/Female & Disc. Plastics granules were pushed forward in the Die by the Injection Pressure/ speed. Product is Cool in Die then eject the using Hydraulic ejector system. Product gate point / Flash Cutting done.

Product is inspected by QC Inspector Visually & Dimensionally. After inspection OK Emitters are transfer to Assembly & Packing & not ok Emitters are scrap. After assembly & packing material is tested in laboratory. If found OK transferred to Dispatch section. Emitters which are not Ok in testing are rejected & scrapped.



## ENVIRONMENT, HEALTH AND SAFETY MEASURES

Environment and safety considerations are an important part of our operations. We are subject to environmental laws and regulations, including regulations relating to the protection of the environmental and human health in relation to our Manufacturing Unit. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. For further details, see chapter titled “*Government and Other Approvals*” beginning on page 210 of this Prospectus.

## COLLABORATIONS/TIE UPS/JOINT VENTURES

Except as mentioned below, our Company has not entered into any Collaborations/ Tie-Ups/ Joint Ventures as on the date of this Prospectus.

1. **Joint Venture Agreement** dated March 7, 2023 entered into by and between Polysil Irrigation Systems Limited and Vima Alliance Infra Private Limited for the purpose of making a bid and entering into a contract against the Tender ID: 2023\_HBC\_261321\_1 Package for Planning, Design, Supply, Installation, Testing, Commissioning and operation & Maintenance for 3 Years.
2. **Joint Venture Agreement** dated March 7, 2023 entered into by and between Polysil Irrigation Systems Limited and Vima Alliance Infra Private Limited for the purpose of making a bid and entering into a contract against the Tender ID: 2023\_HBC\_261331\_1 Package for Planning, Design, Supply, Installation, Testing, Commissioning and operation & Maintenance for 3 Years.

Since, the tender for which the Joint Venture was formed did not materialize the Joint Venture stand null and void as per the Joint Venture agreement.

## SALES AND MARKETING STRATEGY

The efficiency of the marketing and sales network is critical to the success of our Company. Our management and personnel in marketing team, through their experience and efforts create and expand the clientele base. To develop customers, our management and other personnel, regularly interacts either directly or indirectly with prospective customers and existing dealer distribution network. As on date, we have 434 dealers and distributors covering 3 states viz Maharashtra, Madhya Pradesh and Rajasthan. We have access to direct and indirect sales channel for selling our products. In Open Market, we usually we indirect sales approach whereby we sell our products through our Distributor/Dealers/ Agents. In Project market, we directly approach to our customers through our sales and marketing team. Apart from this, we also participate in trade fairs, exhibitions to promote our products and understand our customer’s needs.

Our success lies in the strength of our relationship with our customers who have been associated with our Company. To increase our portfolio of customers, we identify the prospective clients, understand their requirements, explain them our product range and value addition we can offer. We undertake various steps to maintain and increase our customer base some of such measures includes:

- Regular Crop seminar by expert agronomist on field & classroom trainings.
- System Maintenance seminar by Technical Staff of Company in all seasons.
- Customer satisfaction campaigning after sales.
- Crop expert Consultancy by Experienced experts from industry periodically.
- Relation development activities through various service centre across India.
- Types of campaigning – van campaigning, poster campaigning, door to door campaigning etc.
- Participating in Different Agri. fair across India & internationally.
- Qualitative & Innovative Polysil Product Branding by social media platforms.
- General Farmer meets i.e. Farmer Meeting, Night Meeting, Nukkad Meeting in rural areas.
- Successful Farmers farm visits in various parts of country to improve knowledge.
- Exposure tours to Factory & the farms of other state.

We strictly adhere to the quality expectations of the customers and at times take inputs from them which help us in improving our product’s quality and thus enable us to match up to their expected standards. We intend to expand our existing customer base by reaching out to other geographical areas. We are committed to promote our business domestically by widening our presence through our marketing network. Our sales teams liaise with the dealers in procuring sales orders, coordinating system designs and offer technical guidance, order dispatches and are responsible for collections.

We are registered with Gujarat Green Revolution Company Limited (“GGRCL”), to supply and install micro irrigation system for the entire state of Gujarat and are responsible for the implementation of the micro irrigation scheme of the government of Gujarat. The state Government of Gujarat provides a subsidy of 70% of the cost of the equipment with a ceiling of Rs. 70,000 per hectare, whichever is lower. In order to avail of the subsidy benefits, we enter into a bipartite/tripartite agreement with GGRCL, the farmer and the company/ the bank (in case bank finance is availed by the farmer) for supply of micro irrigation systems. A claim for 25% of the cost of the equipment is submitted in advance to GGRCL upon entering into such bipartite/tripartite agreement. However, GGRCL retains

1% (Retention money against the performance guarantee) of the invoice value which is released on a quarterly basis over a period of 5 years or early against submission of bank guarantee. The farmer pays the balance 42% (including GST).

Further, we are also registered as vendor with TANHODA, Tamil Nadu, Andhra Pradesh Micro Irrigation Project, Andhra Pradesh and MICADA, Haryana.

## COMPETITION

We operate in a competitive atmosphere. Some of our competitors may have greater resources than those available to us. While product quality, brand value, distribution network, etc are key factors in client decisions among competitors, however, price is the deciding factor in most cases. Our Industry is fragmented consisting of large established players and small niche players. We compete with organized as well as unorganized sector on the basis of availability of product, product quality, product range. In addition, there is also competition from pipe manufacturers. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition.

## UTILITIES

### Power

Our Manufacturing Unit and registered office have adequate power supply position from the public supply utilities. Our Company meets its power requirements by purchasing electricity from Madhya Gujarat Vij Company Limited which is around 490 KVA.

### Water

Water is mainly required for cooling the products in production process, fire safety, drinking and sanitation purpose. We meet our water requirements from ground water at our Manufacturing Unit.

### Dispatch

We have an in-house dispatch department that works with our sales team to coordinate the delivery of our Products on both ex-work/free-on-road (“FOR”) basis. Further, we have storage facility at our manufacturing unit for purposes of holding inventories of raw material as well as finished products, which ensures stability of operations. Further, for the purposes of procuring our raw material supplies, we rely on road transportation.

## RAW MATERIAL AND SUPPLIERS

The major raw material used in our manufacturing process is. HDPE, LDPE, LLDPE Granules and different kinds of color master batches. Certain components viz. different drippers. We source our key raw material domestically and also import them depending on the price and availability. We have not entered into any long-term supply arrangement with our suppliers. We purchase our raw materials from multiple suppliers and we do not enter into any long-term contract with our suppliers. Over the period, we believe we have built up trust with our raw material suppliers. Our top 10 supplier contributed to 81.30% of our total purchases for the period ended August 15, 2023.

## INFORMATION TECHNOLOGY

Our IT systems are vital to our business and we use third party accounting software. We are not dependent on any third-party storage facility to protect the confidentiality of our business data. We utilize a PIMS (Production Information Management System) software built for our Company to maintain inventory, sales, and logistics data in real-time, allowing us to make informed decisions and adjust our operations as necessary. Our PIMS software helps us to maintain accurate inventory levels, track sales data, and manage logistics effectively, providing us with real-time tracking of our goods during transportation. We prioritize inventory management, order processing, and customer service, tracking inventory levels, processing orders efficiently, and providing excellent customer service to ensure customer satisfaction

## HUMAN RESOURCES

We place importance on developing our human resources. We focus on attracting and retaining the best possible talent. Our business model comprises of experienced, qualified and semi qualified personnel. As on December 31, 2023, our Company employs 52 employees in total. Our work processes and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans. Further, the company does employ workers on contract basis.

Following is the department wise employees list: -

Department	As on December 31, 2023
Sales & Marketing Gujarat	7
Sales & Marketing Maharashtra	1
Sales & Marketing Tamil Nadu	5
Sales & Marketing Madhya-Pradesh	3



Polysil Factory Staff	9
Polysil Factory Worker	8
Commercial/Hr/IT/Dispatch	15
Sales & Marketing Andhra Pradesh	1
Sales & Marketing UP	3
<b>Total</b>	<b>52</b>

The Company engaged contract labour (unskilled & semi-skilled) based on the requirement and on a daily wage basis. The details of average contract workers employed for the Fiscal 2023 is around 28 contract workers and for the period ended August 15, 2023 is around 16 contract workers.

## INSURANCE

Except as mentioned below, our Company does not have any Insurance Policy as on date of this Prospectus.

Name of the Insurance Company	Type of Policy	Validity Period	Description of Assets covered under the Policy	Policy No.	Total Sum Insured (₹)	Premium p.a. (₹)
SBI General insurance	Burglary insurance	June 10, 2023 to June 09, 2024	Stocks	000000033713862	₹ 20,60,00,000	₹ 11,578
SBI General Bharat Laghu Udyam Suraksha	Fire Policy	June 10, 2023 to June 09, 2024	Building including plinth, basement and additional structures, Plant & Machinery, Furniture, Fixture & Fittings and other equipment	000000033713766	₹ 2,56,000,000	₹ 4,29,008
Bajaj Allianz General Insurance Company Ltd.	Group Personal Accident Policy	June 24, 2023 to June 23, 2024	Group Personal Accident Policy for employees	OG-24-2201-9902-00000027	₹ 2,68,29,280	₹ 39,001
Bajaj Allianz General Insurance Company Ltd	Marine Policy	April 11, 2023 to April 10, 2024	Purchase, Sales, Returned Cargo	OG-23-2201-1005-00000007	₹ 50,00,00,000	₹ 73,751
Bajaj Allianz General Insurance Company Limited	Employee's Compensation Insurance	June 18, 2023 to June 17, 2024	Mfg. of Plastic Goods	OG-24-2201-2802-00000649	As per Employees Compensation Act, 1923	₹ 33,220

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

## EXPORT AND EXPORT OBLIGATION

Our Company have not exported during the last 3 years and have no export obligations as on the date of this Prospectus. We import some of our raw materials. The details of import taken up by the Company are as under:

Year	Import (₹ in lakhs)
Financial Year ended March 31, 2021	274.13
Financial Year ended March 31, 2022	220.80
Financial Year ended March 31, 2023	146.18

## ACCREDITATIONS AND CERTIFICATION

We have well defined stringent quality standards with a customer focus. We continuously strive to improve quality of products, processes and safety requirements. We have received important Quality Certifications and other achievements.

### ISO Certification:

Our products comply with Indian as well as international standards and have been certified to confirm to the “Quality Management Systems Standard ISO 9001:2008”. All our products are ISI marked.

## OUR PROPERTIES

### Immovable properties

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

Sr. No	Details of the Property	Area	Date of Agreement	Name of the Party	Date of expiration	Owner/ Lessor	Consideration (₹)	Lease Rent (₹)	Purpose Used
1.	Survey no. 340/1, at & post raniya, taluka savli, Vadodara – 391780, Gujarat	Land: 1,00,000 sq. ft & building: 44,000 sq.ft	October 13, 2017	NA	NA	Owner	₹ 2,68,00,000	NA	Manufacturing plant & Registered office
2.	206-Atlantis, opp. Genda circle, Vadodara – 390007, Gujarat	2000 sq.ft	October 01, 2022	Patel Ashmita ben Bharatkumar	July 31, 2024	Lessor	NA	₹ 1,00,000 per month	Administration office
3.	Ground floor, Milkat number 1155 Sasvad Road, Indian Oil Petrol Pump Marg Uruli Devachi Chiphata Pune - 412308, Maharashtra	280 sq meter	May 08, 2023	Arnav Enterprises	May 07, 2024	Lessor	NA	₹22,500 per month	Godown/Storage
4.	Busyland, Market at lane, R/3, E-Block Shop No. 66 & 67, Nandgaon, Peth, Amravati - 444606, Maharashtra	119.66 sq. meter	May 01, 2023	Dewdrop Irrigation Company Chandur Bazar (Amravati)	April 30, 2024	Lessor	NA	₹30,000 per month	Godown/Storage

Sr. No	Details of the Property	Area	Date of Agreement	Name of the Party	Date of expiration	Owner/ Lessor	Consideration (₹)	Lease Rent (₹)	Purpose Used
5.	Ground Floor, Cotton Market Block Number B Shop number 13, new Mondha, Jalna - 431203, Maharashtra	280 square meter	April 01, 2023	Parikshit Machinery and Hardware	March 31, 2024	Lessor	NA	₹22,500 per month	Godown/Storage
6.	Shed Number 3, Ramsons Estate, S.F. Number 657/1, Thillai Nagar, Echanari, off Pollachi Road, Coimbatore - 641021, Tamil Nadu	5882 square feet	September 01, 2022	Mr. J. Ramkumar	August 31, 2024	Lessor	NA	₹60,000 per month	Godown/Storage
7.	B 4, Vidha Nagar, Hoshangabad Road, Bhopal -462026, Madhya Pradesh	400 square feet	April 01, 2023	Avatar Agro Agencies	February 28, 2024	Lessor	NA	₹ 9000 per month	Godown/Storage
9.	166 B Kiriti nagar Near – E.s.i.c. Dispensary, Bhiwani (Haryana)	200 square feet	September 01, 2023	Sumit Kumar Singh	July 31, 2024	Lessor	NA	₹ 2000 per month	Godown/Storage

#### **Intellectual Property**

Our Company does not hold any registered brand/ trade name with Trademark Registry, Government of India. For further details, please see chapter titled **“Risk Factors - Our Company has the right to use the brand name “Polysil” pursuant to the share purchase agreement dated September 10, 2020 between the erstwhile promoters of our Company and the current promoters.”** beginning on page 23 of this Prospectus.

## KEY INDUSTRY REGULATIONS AND POLICIES

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

*The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain.*

*The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For information on regulatory approvals obtained by us, see the chapter titled “Government and Other Approvals” beginning on page 210 of this Prospectus. We are required to obtain and regularly renew certain licenses / registrations / sanctions / permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies. Additionally, the projects undertaken by us require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local byelaws.*

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

### LAWS IN RELATION TO OUR BUSINESS

#### ***The Factories Act, 1948 (“Factories Act”)***

The term ‘factory’, as defined under the Factories Act includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workers are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories.

The Factories Act requires the ‘occupier’ of a factory to ensure, so far as reasonably practicable, the health, safety and welfare of all workers in the factory premises. Further, the “occupier” of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

#### ***Bureau of Indian Standards Act, 2016 (“BIS Act”)***

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) for the harmonious development of the activities of standardization, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act for the functions of the BIS which includes, among others,

- a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere;
- b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and
- c) undertake testing of samples for purposes other than for conformity assessment and
- d) undertake activities related to legal metrology.

The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

#### ***Legal Metrology Act, 2009***

The Legal Metrology Act, 2009 (the “Legal Metrology Act”) which came into force on March 1, 2011 and replaces the Standards of Weights and Measures Act, 1976. The Legal Metrology Act was enacted to establish and enforce standards of weights and measures and to regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The Legal Metrology Act provides for the approval for model weights and measures, the verification of the prescribed weight or measure by the Government, and penalties for use of non-standard weight or measure.

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

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could

be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose. The purpose of Registration Act is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. Evidence of registration is available through an inspection of relevant land records, which usually contains details of the registered property.

#### ***The Micro, Small and Medium Enterprises Development Act, 2006 (the "MSME Act")***

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

#### ***The Indian Stamp Act, 1899 ("Stamp Act")***

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one State to another. Certain State in India have enacted their own legislation in relation to stamp duty while the other State have adopted and amended the Stamp Act, as per the rates applicable in the State. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from State to State.

#### ***Importer exporter code***

In India, exports and imports are regulated by the Foreign Trade (Development and Regulation) Act, 1992 ("FTDRA"), which seeks to develop and regulate foreign trade by facilitating imports into India and augmenting exports from India. Pursuant to the provisions of the FTDRA, every importer and exporter in India must obtain an IEC from the Director General of Foreign Trade ("DGFT") or from any other officer duly authorized under the FTDRA. Failure to obtain the IEC number may lead to penal action under the FTDRA. Further, the DGFT is authorized to suspend or cancel IEC in case of (i) contravention by any person of the provisions of FTDRA or the foreign trade policy or any law relating to central excise or customs or foreign exchange or commission of any other economic offence under any other law specified by the Central Government or (ii) making an export or import in a manner prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or bringing disrepute to the credit or the goods of, or services or technology, provided from the country or (iii) importing or exporting specified goods or services or technology, in contravention of any provision of FTDRA or any rules or orders made thereunder or the foreign trade policy. Where any IEC number granted to a person has been suspended or cancelled, the person shall not be entitled to import or export any goods or services or technology except under a special license, granted by the DGFT to that person in a manner and subject to conditions as may be prescribed.

### **TAX RELATED LAWS**

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

The Income-tax Act, 1961 ("IT Act") is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by 30th September of each assessment year.

#### ***The Central Goods and Services Tax Act, 2017 (the "GST Act")***

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by center on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017(UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made there under. It replaces following indirect taxes and duties at the central and state levels.

### ***Professional Tax***

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

### ***Customs Act, 1962***

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e., bringing into India from a place outside India or at the time of export of goods i.e., taken out of India to a place outside India. Any Company desirous of importing or exporting any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). The rates of basic customs duty are specified under the Customs Tariff Act, 1975.

## ***LABOUR LAWS***

### ***The Factories Act, 1948 (“Factories Act”)***

The Factories Act seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of workers. It applies to industries in which 10 or more workers are employed on any day of the preceding 12 months in any manufacturing process carried on with the aid of power, or 20 or more workers are employed in the manufacturing process being carried out without the aid of power. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment, registration and licensing of factories. The Factories Act requires that the occupier of a factory, i.e., the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers 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. The Factories Act also provides for fines to be paid and imprisonment of the manager of the factory in case of any contravention of the provisions of the Factories Act.

### ***Employees Provident Fund and Miscellaneous Provisions Act, 1952***

Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPFA provides for the institution of provident funds and pension funds for employees in establishments where more than 20 persons are employed and factories specified in Schedule I of the EPFA. Under the EPFA, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPFA also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

The Act is administered by the Government of India through the Employees' Provident Fund Organization (EPFO). The following three schemes have been framed under the Act by the Central Government:

- a. The Employees' Provident Fund Schemes, 1952;
- b. The Employees' Pension Scheme, 1995; and

The Employees' Deposit-Linked Insurance Scheme, 1976

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

The Government of India has decided to consolidate around 29 central labour laws into 4 codes which are: (a) Code on Wages, 2019, (b) the Code on Social Security, 2020, (c) the Occupational Safety, Health and Working Conditions Code, 2020 and (d) the Industrial Relations Code, 2020. The Code on Social Security, 2020 has been passed by both the houses of parliament and has received the assent of the President on September 28, 2020. However, the Code will be in force from such date the Central Government by notification may appoint. The said Code will subsume various social security, retirement and employee benefit laws like ESI Act, EPF Act, Maternity Benefit Act, Payment of Gratuity Act, etc.

### ***Contract Labour (Regulation and Abolition) Act, 1970***

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty)

or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official Gazette, apply the provisions of the CLRA to any establishment or contractor. Further, it contains provisions regarding Page 195 of 419 Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of contractors and welfare and health of the contract labour. The Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

### ***The Employees' Compensation Act, 1923***

The Employees' Compensation Act, 1923 ("EC Act") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The EC Act makes every employer liable to pay compensation in accordance with the EC Act if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the EC Act within 1 (one) month from the date it falls due, the commissioner appointed under the EC Act may direct the employer to pay the compensation amount along with interest and may also impose a penalty

### ***The Employees State Insurance Act, 1948***

The Employees State Insurance Act, 1948 ("ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### ***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 58 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.

### ***Equal Remuneration Act, 1976***

Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

### ***Maternity Benefit Act, 1961***

The purpose of Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period before and after child birth. It provides, inter-alia, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, 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, organizing 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.

### ***The Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965 ("PB Act") is applicable to every factory and every other establishment employing 20 (twenty) or more persons. According to the provisions of the PB Act, every employer shall be bound to pay to every employee in respect of the accounting year minimum and maximum bonus and linking the payment of bonus with the production and productivity.

### ***The Minimum Wages Act, 1948***



The Minimum Wages Act, 1948 ("MW Act") came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MW Act, the appropriate government is authorized to fix the minimum wages to be paid to the persons employed in scheduled or non-scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MW Act, in respect of which minimum rates of wages have been fixed or revised under the MW Act.

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

The Payment of Gratuity Act, 1972 ("PG Act") applies to every factory and shop or establishment in which 10 (ten) or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

- a. On his/her superannuation;
- b. On his/her retirement or resignation;
- c. On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply).

#### ***The Payment of Wages Act, 1936***

The Payment of Wages Act, 1936 ("PW Act") is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

#### ***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.

#### ***Inter-State Migrant Workmen's (Regulation of Employment and Conditions of Service) Act, 1979***

The Inter-State Migrant Workmen's (Regulation of Employment and Conditions of Service) Act, 1979 is applicable to an establishment, which employs five or more inter-state migrant workmen through an intermediary (who has recruited workmen from one State for employment in an establishment situated in another State). The inter State migrant workmen, in an establishment to which this Act becomes applicable, are required to be provided certain facilities such as housing, medical aid, travel expenses etc.

#### ***Workmen's Compensation Act, 1923***

The Act provides safety to the workman if any personal injury is caused to a workman by accident arising out of and in the course of his employment his employer shall be liable to pay compensation in accordance with the provisions of this Act. Provided that the employer shall not be so liable –

- a. In respect of any injury which does not result in the total or partial disablement of the workman for a period exceeding three days;
- b. In respect of any injury not resulting in death or permanent total disablement caused by an accident.

### **GENERAL LAWS**

#### ***Indian Contract Act, 1872 ("CONTRACT ACT")***

The Indian Contract Act, 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract.

#### ***The Companies Act, 1956***

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 1956

prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 1956 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

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

The Act deals with laws relating to companies and certain other associations. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between the set of competing factors, namely, management autonomy and investor protection.

#### ***The Specific Relief Act, 1963***

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. "Specific performance" means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

#### ***The Consumer Protection Act, 1986***

The Consumer Protection Act ("COPRA") aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provided for a three-tier consumer grievance redressal mechanism at the national, state and district levels.

### ***ENVIRONMENT LAWS***

#### ***National Environmental Policy, 2006***

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

#### ***The Environment (Protection) Act, 1986***

The Environment (Protection) Act, 1986 ("EPA") is an umbrella legislation designed to provide a framework for the government to coordinate the activities of various central and state authorities established under various laws, such as the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, etc. The EPA vests with the Government the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution.

#### ***Environment (Protection) Act, 1986 as amended ("EPA")***

EPA provides for the prevention, control and abatement of pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

#### ***The Water (Prevention and Control of Pollution) Act, 1974***

The Water (Prevention and Control of Pollution) Act, 1974 ("Water Act") aims to prevent and control water pollution by factories and manufacturing units and to maintain and restore the quality and wholesomeness of water.

#### ***The Air (Prevention and Control of Pollution) Act, 1981***

The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act") provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

### ***OTHER LAWS***

### ***Foreign Exchange Management Act, 1999 (“FEMA”)***

Foreign investment in India is primarily governed by the provisions of 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.

### ***FEMA Regulations***

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

### ***Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)***

The Foreign Trade (Development & Regulation) Act, 1992 The Foreign Trade (Development & Regulation) Act, 1992, provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto.

### ***Foreign Direct Investment Policy, 2020***

With the intent and objective of the Government of India to attract and promote foreign direct investment in order to supplement domestic capital, technology and skills, for accelerated economic growth. The Government of India has put in place a policy framework on Foreign Direct Investment, which is transparent, predictable and easily comprehensible. This framework is embodied in the Circular on Consolidated FDI Policy, which may be updated every year, to capture and keep pace with the regulatory changes, effected in the interregnum. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through press notes/press releases which are notified by the RBI as amendments to the FEMA Regulations. These notifications take effect from the date of issue of press notes/ press releases, unless specified otherwise therein. In case of any conflict, the relevant FEMA Notification will prevail. The procedural instructions are issued by the RBI vide A.P. (DIR Series) Circulars. The regulatory framework, over a period of time, thus, consists of Acts, Regulations, Press Notes, Press Releases, Clarifications, etc. In addition to the above, our Company is also required to comply with the provisions of the SEBI regulations and rules framed thereunder, and other applicable statutes enacted by the Government of India or relevant state governments and authorities for our day-to-day business and operations. Our Company is also subject to various central and state tax laws.

## HISTORY AND CERTAIN CORPORATE MATTERS

### HISTORY AND BACKGROUND

Our Company was originally incorporated as a private company in the name and style of “Silvassa Poly-Tex Industries (India) Private Limited” under the Companies Act, 1956 vide certificate of incorporation dated October 09, 1985 issued by the Registrar of Companies, Maharashtra. Subsequently, the name of our Company was changed to “Silvassa Pipes Private Limited” pursuant to the special resolution passed by the Shareholders of our Company at the extra-ordinary general meeting held on June 6, 1996. The Registrar of Companies, Maharashtra, Mumbai issued a fresh certificate of incorporation dated July 11, 1996, upon change of the name of the Company. Further, the name of our Company was changed to “Polysil Irrigation Systems Private Limited” pursuant to the special resolution passed by the Shareholders of our Company at the extra-ordinary ordinary general meeting held on November 8, 2010 and the Registrar of Companies, Maharashtra, Mumbai issued a fresh certificate of incorporation dated January 03, 2011, upon change of the name of the Company. Our Company was then converted into a public limited company pursuant to the special resolution passed by the Shareholders of our Company at the extra-ordinary ordinary general meeting held on December 13, 2022 and consequently upon conversion, the name of our Company was changed to “Polysil Irrigation Systems Limited” vide a fresh certificate of incorporation dated December 27, 2022 issued by the Registrar of Companies, Ahmedabad.

The Registered Office of our Company was changed from 25, Maker Chambers III, Nariman Point, Mumbai, Maharashtra, 400021, under the jurisdiction of Registrar of Companies, Mumbai to Survey No- 340/1, Beside Hystuff Steel, At Post Raniya, Taluka Savli, District Vadodara – 391780, Gujarat, India, under the jurisdiction of Registrar of Companies, Ahmedabad, pursuant to which a fresh certificate of incorporation dated November 18, 2021 was issued by the Registrar of Companies, Ahmedabad bearing Corporate Identification Number U17100GJ1985PLC127398.

### BUSINESS AND MANAGEMENT

For a description of our activities, services, designing, technology, market segments, the growth of our Company and regional geographical segment in which our Company operates, please refer Chapter titled “*Business Overview*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 102, 94 & 192 of this Prospectus, respectively. For details of the management and managerial competence of our Company, please refer Chapter title “*Our Management*” on page 133 of this Prospectus.

### CHANGES IN REGISTERED OFFICE OF OUR COMPANY

There has been changes in the registered office of our Company.

Date	From	To	Reason
October 19, 1993	21, Arihant Darshan, VP Road, Mulund - Mumbai	World Trade Center, No. 1 Unit No. 6, 7th Floor, Cuffe parade Mumbai	Operational Convenience
June 28, 2000	World Trade Center, No. 1 Unit No. 6, 7th Floor, Cuffe parade Mumbai	812-A, Embassy Centrenair Main Point, Mumbai - 400021	Operational Convenience
November 28, 2015	812-A, Embassy Centrenair Main Point, Mumbai - 400021	25/26, 2nd Floor, Maker Chambers III, Nariman Point, Mumbai - 400021	Operational Convenience
December 22, 2015	25/26, 2nd Floor, Maker Chambers III, Nariman Point, Mumbai – 400021	25, Maker Chambers III, Nariman Point, Mumbai - 400021	Operational Convenience
October 14, 2021	25, Maker Chambers III, Nariman Point, Mumbai - 400021	Survey No- 340/1, Beside Hystuff Steel, At Post Raniya, Taluka Savli, District Vadodara, Gujarat, India, 391780	Operational Convenience

### MAIN OBJECTS OF OUR COMPANY

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

- To carry, on the business as spinners, doublers, twisters, texturisers, weavers, combers, scourers, finishers, bleachers, dyers, dryers, printers, mercers, ginners, processors, balers, traders, dealers, importers, exporters and manufacturers of yarns and of textile industrial and other fabrics of cotton, wool, silk, rayon, artificial silk, nylon, terylene, polyester, acrylic, viscose, polypropylene and other natural, synthetic and/or fibrous substances and/or manufacturers of materials from the waste realised from the above mentioned products either on its own account or on commission and to manufacture, produce, process or prepare and deal in yarns, threads and cloth of all kinds including non-woven cloth, knitted cloth and all other textile goods like furnishing fabrics, suitings, shirtings, sarees, dress materials, felts, hair beltings, tapes, webbings, and twinns whether made of cotton, silk, wool, flax, hemp, jute, rayon, synthetic or other artificial textile materials and yarns of all types and render them marketable and import, export all or any of the said commodities.
- To manufacture process and deal in artificial/manmade fibre filament yarn, tops, tows, and, other allied materials and/or to carry on the business of processing of any artificial/manmade fibre filament yarn into crimped/stretched yarn and/or to manufacture,

process and deal in all types of hosiery goods, fabrics and textile goods made from crimped/stretched yarn and from all other yarn and fibres and render them marketable.

3. To establish, own, run, manage and to carry on the business as manufacturers, producers, developers, traders, buyers, sellers, exporters, importers, operators, engineers, fabricators, contractors, sub-contractors, brokers, assemblers, packers, re-packers, jobbers, designers, laminators, merchants, resellers, dealers, distributors, converters, recyclers and/or in any other capacity in which the business may be carried on all kinds of goods used for the purpose of irrigation, water transportation, sanitary systems, drainage system, cable ducting or for any other purpose wherein it can be used conveniently such as pipes, tubes, hoses, sprinklers, Polyethylene pipes for sprinkler irrigation system, drippers, accessories, fittings HDPE material for moulding and extrusion and all other ancillary and auxiliary materials or derivatives or articles or things which can be made of by using rigid PVC, polythene, LDPE, HDPE, PP, LLDPE, plastic resins, plastic granules, polymers, monomers, polypropylene, thermoplastics, foam, adhesives, synthetic resins, emulsions, fiberglass, PVC Compound, PVC Dryblend, PVC Premix and the like by whatever name called or their derivatives/mixtures and to do all incidental acts and things necessary for the attainment of the above objects.

#### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION (MoA)

Since incorporation, the following amendments have been made to the MoA:

Date of Shareholder's Resolution	Particulars
July 7, 1987	Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from Rs. 500,000/- (Rupees Five Lakhs Only) divided into 5,000 (Five Thousand Only) Equity Shares of Rs. 100/- (Rupees One Hundred Only) each to Rs. 20,00,000/- (Rupees Twenty Lakhs Only) divided into 20,000 (Twenty Thousand Only) Equity Shares of Rs. 100/- (Rupees One Hundred Only) each.
December 20, 1994	Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from Rs. 20,00,000/- (Rupees Twenty Lakhs Only) divided into 20,000 (Twenty Thousand Only) Equity Shares of Rs. 100/- (Rupees One Hundred Only) each to Rs. 50,00,000/- (Rupees Fifty Lakhs Only) divided into 50,000 (Fifty Thousand Only) Equity Shares of Rs. 100/- (Rupees One Hundred Only) each.
February 10, 1995	Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from Rs. 50,00,000/- (Rupees Fifty Lakhs Only) divided into 50,000 (Fifty Thousand Only) Equity Shares of Rs. 100/- (Rupees One Hundred Only) each to Rs. 70,00,000/- (Rupees Seventy Lakhs Only) divided into 70,000 (Seventy Thousand Only) Equity Shares of Rs. 100/- (Rupees One Hundred Only) each.
June 10, 2021	Clause II of the Memorandum of Association was amended by shifting the Registered Office of the Company from ROC - Mumbai, State of Maharashtra to ROC – Ahmedabad, Gujarat.
December 5, 2022	<p>1) Alteration/Substitution of the existing Memorandum of Association: The words “Companies Act, 1956” wherever appearing in the Memorandum of Association of the Company, is replaced with the words “Companies Act, 2013.</p> <p>2) Clause 3 of the Memorandum of Association was amended by existing “Clause III(A) - The main Objects to be pursued by the Company on its incorporation are” is substituted by the new sub-heading “Clause 3(A) - The Objects to be pursued by the Company on its incorporation are”.</p> <p>3) Clause 3 of the Memorandum of Association was amended by adding the Sub-clause 3 after existing Sub-clause 2 of Clause 3(A): To establish, own, run, manage and to carry on the business as manufacturers, producers, developers, traders, buyers, sellers, exporters, importers, operators, engineers, fabricators, contractors, sub-contractors, brokers, assemblers, packers, re-packers, jobbers, designers, laminators, merchants, resellers, dealers, distributors, converters, recyclers and/or in any other capacity in which the business may be carried on all kinds of goods used for the purpose of irrigation, water transportation, sanitary systems, drainage system, cable ducting or for any other purpose wherein it can be used conveniently such as pipes, tubes, hoses, sprinklers, Polyethylene pipes for sprinkler irrigation system, drippers, accessories, fittings HDPE material for moulding and extrusion and all other ancillary and auxiliary materials or derivatives or articles or things which can be made of by using rigid PVC, polythene, LDPE, HDPE, PP, LLDPE, plastic resins, plastic granules, polymers, monomers, polypropylene, thermoplastics, foam, adhesives, synthetic resins, emulsions, fiberglass, PVC Compound, PVC Dryblend, PVC Premix and the like by whatever name called or their derivatives/mixtures and to do all incidental acts and things necessary for the attainment of the above objects.</p> <p>4) Clause 3 of the Memorandum of Association was amended by existing “Clause III(B) - The Objects incidental or ancillary to the attainment of the Main Objects” is substituted by the new sub-heading “Clause 3(B) - Matters which are necessary for furtherance of the objects specified in Clause 3(A) are”.</p>

Date of Shareholder's Resolution	Particulars
	<p>5) Clause 3 of the Memorandum of Association was amended by existing sub-clauses under the existing Clause III(B) shall be replaced by the following sub-clauses under Clause 3(B):</p> <ol style="list-style-type: none"> <li>1. To acquire real or leasehold estate and to purchase, lease or otherwise acquire or provide in any place in which any part of the business of the Company may from time to time be carried on, all such offices, warehouses, workshops, buildings, houses for employees and Directors, Machineries, Engines, Plant and appliances as may be considered requisite for the purpose of carrying on the business of the Company or any part thereof.</li> <li>2. To form, constitute, float, lend, money to assist and control similar association or undertakings whatsoever.</li> <li>3. To promote, subsidies and assist companies, syndicates and partnerships of all kind in any manner as may be thought fit in connection with any or the above objects of the Company.</li> <li>4. To hold use, work, manage, improve, carry on, develop the undertaking, lands and movable estate or property and assets of any kind of the Company or any part thereof.</li> <li>5. To dispose of any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as may be thought fit and to accept payment or satisfaction for the same in cash or otherwise.</li> <li>6. To subscribe for, take or otherwise acquire and hold shares, stocks debentures or other securities of any other Company having objects altogether or in part similar to those of the Company or carrying on any business capable of being conducted so as directly to benefit of the Company.</li> <li>7. To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, or any other useful institutions in their objects or purposes or for any exhibitions but not for political objects.</li> <li>8. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of and give or procure the giving of donation, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of Company or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company or who are/were at any time Director or officers of the Company or of any such other company as aforesaid and the wives, widows, families and dependants of any such persons and also to establish and subsidies and subscribe to any institutions, associations, club or funds calculated to be for the benefit of or to advance the interest and wellbeing of the Company or of any such other company as aforesaid and make payment to or towards the insurance of any such persons as aforesaid and to any matters aforesaid either alone or in conjunction with any such other company as aforesaid.</li> <li>9. To provide for the welfare of Directors, employees, or ex-employees of the Company and the wives, widows and families of the dependants or connections of such persons by building or contributing for the building, dwelling or quarters, or by grants of money, pensions, gratuities, allowance, bonus, profit sharing bonus or benefits or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds profit sharing or other scheme or trust and by providing or subscribing, or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendants, and other assistance as the Company shall think fit.</li> <li>10. To establish, provide, maintain and conduct or otherwise subsidies research, laboratories and experimental workshop for scientific and technical research and experiments and tests of all kinds and to promote studies and research both scientific and technical investigation and invention by providing subsidizing or assisting laboratories workshops, libraries, lectures, meeting and conferences and by providing the remunerations of scientific or technical professor or teachers and by providing for the award or exhibition, scholarship prizes and grants to students or otherwise and generally to encourage promote and reward studies, researches, investigation, experiment, tests and invention of any kind that may be considered likely to assist any of the business which the Company is authorized to carry on.</li> <li>11. To appoint any Directors or Managers of any subsidiary company or of any other company in which this Company is or may be interested.</li> <li>12. To aid peculiarly or otherwise, any association, body or movement having similar object, the solution, settlement or labour problems or the promotion of industry or trade.</li> <li>13. To acquire and undertake all or any part of the business property and liabilities of any person, company carrying on or proposing to carry on any business which the Company is authorized to carry on or proposed of property suitable for the purpose of the Company which can be capable of being</li> </ol>



Date of Shareholder's Resolution	Particulars
	<p>conducted so as directly to benefit the Company and to subsidiaries or assist any such persons or company financially or otherwise.</p> <p>14. To vest any movable or immovable property rights or interests acquired by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.</p> <p>15. To lend and advance money or give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealing with Company and to guarantee the performance of any contract or obligation and the payment of money to any such person or companies and generally to give guarantee and indemnities.</p> <p>16. To guarantee the payment of money secured or unsecured by or payable under in respect of promissory notes, bonds, debentures, debenture-stock, contracts, mortgages charges, obligations, instruments of any person whatsoever, whether incorporated or not and generally to guarantee or become securities for the performance of any contracts or obligations.</p> <p>17. To undertake and execute any trust, the undertaking of which may seem to the Company desirable either gratuitously or otherwise.</p> <p>18. To carry on business or branch of a business which this Company is authorized to carry on by means or through the agency of any subsidiary or other companies and to enter into any arrangements with such subsidiary Company for taking the profits and bearing the loss at any business or branch so carried on, or for financing any such business or branch so guaranteeing its liabilities or to make any other arrangements which may seem desirable with reference to any business or branch so carried on including power at any time and either temporarily to close any such branch or business.</p> <p>19. To pay all preliminary expenses of any company promoted by the Company or any company in which this Company is or may contemplate being interested including in such preliminary expenses all or any part of the cost and expenses of owners of any business or property acquired by the Company.</p> <p>20. To procure the incorporation, registration or other recognition of the Company in any country, state or place outside India and to establish and maintain local registers and branches places of business in any part of the world subject to law in force.</p> <p>21. To create any depreciation fund, reserve fund, sinking fund, insurance fund, educational fund or any other special fund or reserves whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures or redeemable preference shares or for any other purposes conducive to the interest of the Company.</p> <p>22. Subject to the provisions of the Companies Act, 2013 to place or reserve or to distribute as dividends or bonus share among the members or otherwise to apply any money received by way of premium on shares or debentures issued at a premium by the Company and any money received in respect of dividends accrued on or arising from the sale of forfeited shares.</p> <p>23. To establish, promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the properties, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly, calculated to benefit the Company and to place or guarantee the placing of subscribed for or otherwise acquired all or any part of the shares, business capable of being conducted so as directly or indirectly to benefit the Company.</p> <p>24. To pay out of the funds of the Company all costs, charges and expenses of any incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital including any undertaking or other commissions, broker's fees and charges in connection therewith and to remunerate (by cash or other assets or by the allotment of fully or partly paid shares) or by a call or option on shares, debentures, debenture-stocks, or securities of this or any other company or in any other manner whether out of the Company's capital or profits or otherwise to any person or persons for services rendered in introducing any property or business of the Company, in placing or assisting to place or guaranteeing the subscription of any shares, debentures, debenture-stocks or other securities of the Company as the directors may think proper.</p> <p>25. To draw, make, accept, endorse, execute, issue, negotiate, assign and otherwise deal with cheques, drafts, bills of exchange, promissory notes, hundies, debenture, bonds, bills of lading, railway, receipts, warrants and all other negotiable or transferable instruments.</p> <p>26. To insure with any other company or person against losses, damages, risks and liabilities of all kinds which may affect this Company.</p> <p>27. To open account or accounts with any firm or Company or with any bank or banks or bankers or shroffs to pay into withdraw money from such account or accounts.</p>



Date of Shareholder's Resolution	Particulars
	<p>28. To apply for, tender, purchase or otherwise acquire and contracts, sub-contracts, licences and concessions for or in relation to the objects or business herein mentioned or any of them and to undertake execute, carry out dispose of or otherwise turn to account the same.</p> <p>29. To employ experts to investigate and examine into the conditions, prospects, value, character and circumstances of any business concerns and undertakings having similar objects and generally of any assets, property or rights.</p> <p>30. To take part in the management, supervision and control of the business or operation of any company or undertaking having similar objects and for that purpose to appoint and remunerate any directors, trustees, accounts or other experts.</p> <p>31. Subject to the provisions of the Act, to pay for any properties, rights or privileges acquired by the Company either in shares of the Company or partly in shares and partly in cash or otherwise.</p> <p>32. To amalgamate, enter into partnership or into any arrangement for sharing or pooling of profits, amalgamation, union of interest, cooperation, joint venture, reciprocal concession or otherwise with any person, firm or company carrying on or engaged in or about to carry on any business or transaction which may seem capable of being carried on or conducted so as, directly or indirectly to benefit the Company.</p> <p>33. To lend, invest or otherwise employ or deal with money belonging to or entrusted to the Company in securities and shares or other movable or immovable property or without security upon such terms and in such manner as may be thought proper from time to time, to vary such transactions and investment in such manner as the Directors may think fit subject to the provisions of the Companies Act, 2013.</p> <p>34. To purchase or otherwise acquire, protect, prolong and renew any patents, rights, inventions, licences, protections and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account the same and to grant licence or privileges in respect of the same.</p> <p>35. To pay or satisfy the consideration for any property, rights, shares, securities or assets whatsoever which the Company is authorized to purchase, or otherwise acquire either by payment in cash or by the issue of shares, or other securities of the Company, or in such other manner as the Company may agree to partly in one mode and partly in another.</p> <p>36. To search for and to purchase, protect, prolong, renew or otherwise acquire from any Government, State or authority any patents, protections, licences, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the Company capable of being turned to account, to work develop, carry out, exercise and turn to account the same.</p> <p>37. To furtherance of the aforesaid objects of the Company:</p> <p>a. To enter into negotiations with and enter into arrangements and contracts and conclude the same with foreign and/or Indian parties and other persons for obtaining by grant, licence, and/or on other terms, formulate and other rights and benefits, and to obtain technical and engineering information assistance and service know-how and expert advice for installation of plant and machinery, production and manufacture of any products, and</p> <p>b. To pay for technical know-how, technical and engineering assistance and information and/or service rights or privileges acquired by the Company either in shares of the Company or partly in cash or otherwise.</p> <p>c. To pay to promoters such remuneration and fees and otherwise recompensate them for their time and for the service rendered by them.</p> <p>38. To do above things as may be incidental or conducive to the attainment of above objects, as principals and as or through agents, brokers, trustees, contractors, either alone or in partnership or in conjunction with others.</p> <p>39. Subject to the provisions of Section 73 of the Companies Act, 2013 and the Rules made thereunder and the directives of the Reserve Bank of India, to borrow or raise or secure the payments of money or to receive money on deposit at interest for any of the purpose of the Company and at such time and from time to time and in such manner as may be thought fit and in particular by the issue of debenture or debenture-stocks convertible into shares of this or any other company or perpetual annuities and as security for any such money so borrowed, raised or received or for any such debentures or debenture-stocks so issued to mortgage, pledge or charge the whole or any part of the property, assets, or revenue and profits of the Company present or future including its uncalled capital by special assignments or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities and also by a similar mortgage, charger or lien to secure and guarantee the performance by the</p>

Date of Shareholder's Resolution	Particulars
	<p>Company or any other person or company as the case may be provided that the Company shall not carry on banking business as defined in the Banking Regulations Act, 1949.</p> <p>40. To enter into any agreements and to take all necessary or proper steps with Governments or with other authorities imperial, supreme, national, local, municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of carrying out the objects of the Company directly or indirectly or effecting any modifications in the constitution of the Company or furthering interests of its members and to oppose any such steps taken by any other Company, firm or person which may be considered likely directly or indirectly to prejudice the interest of the Company or its members and to promote or assist the promotion, whether directly or indirectly of any legislation which may appear to be in the interests of the Company and to oppose and resist, whether directly or indirectly, any legislation which may seem disadvantageous to the Company.</p> <p>41. To apply for, promote, and obtain any Act of Parliament or Legislature, charter, privilege, concession, licence or authorization of Government, State or Municipality provisional order or licence of the Board of Trade or other authority for enabling the Company to carry out any of the objects into effect or for extending any of the powers of the Company of for effecting any modification of the constitution of the Company for any other purpose which may seem calculated, directly or indirectly to prejudice the interests of the Company.</p> <p>42. To make and/or receive donations, gifts or income to or from such persons, institution or trusts and in such cases and whether of cash or any other assets as may be thought directly or indirectly to benefit the Company or any of the object of the Company and also to remunerate any person or corporation introducing or assisting in any manner the business of the Company.</p> <p>43. To establish and support or aid in the establishment of and support associations, institutions, companies, societies, funds, trusts and conveniences for the benefit of the employees or ex-employees or of persons having dealing with the Company or the dependants, relatives or connections of such persons and in particular friendly or other benefit societies and to grant pensions, allowances and bonuses either by way of annual payments or by way of lumpsum and to make payments towards insurance to form and contribute to provident fund and benefit funds, or to such persons.</p> <p>44. To indemnify members, officers, directors, agents and employees of the Company against proceedings, cost, damages, claims and demands in respect of anything done or ordered to be done by them for and in the interest of the Company or any loss, damage or misfortune whatsoever which shall happen in the execution of the duties of their offices or in relation thereto.</p> <p>45. To establish agencies in India and elsewhere for sale and purchase to regulate and discontinue the same subject to law in force.</p> <p>46. Subject to the provisions of the Act, the Company shall have power to borrow any sum or sums of money for the purpose of the Company on such terms and conditions and from such person or persons, firms, bank or any financial, industrial, institutions or any government or semi-government corporation as the Company may think fit.</p> <p>6) Clause 3 of the Memorandum of Association was amended by existing Clause III(C) – “Other Objects” be deleted in entirety.</p> <p>7) Clause 4 of the Memorandum of Association was amended by existing liability clause is substituted with following clause in line of new clause provided as per Companies Act, 2013: The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.</p>
December 13, 2022	<p>1) Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from ‘Polysil Irrigation Systems Private Limited’ to ‘Polysil Irrigation Systems Limited’ pursuant to the conversion of our Company from a private limited company to a public limited company.</p> <p>2) Clause V of the Memorandum of Association was amended to reflect the sub-division in the face value of the authorized share capital of our Company from ₹ 70,00,000/- (Rupees Seventy Lakhs Only) divided into 70,000 (Seventy Thousand Only) Equity Shares of ₹ 100/- (Rupees One Hundred Only) each to ₹ 70,00,000/- (Rupees Seventy Lakhs Only) divided into 700,000 (Seven Lakh Only) Equity Shares of ₹ 10/- (Rupees Ten Only) each.</p> <p>3) Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from ₹ 70,00,000/- (Rupees Seventy Lakhs Only) divided into 700,000 (Seven</p>

Date of Shareholder's Resolution	Particulars
	Lakh Only) Equity Shares of ₹ 10/- (Rupees Ten Only) each to ₹ 14,50,00,000/- (Rupees Fourteen Crore Fifty Lakhs Only) divided into 1,45,00,000 (One Crore Forty-Five Lakhs Only) Equity Shares of ₹ 10/- (Rupees Ten Only) each

## MAJOR EVENTS, MILESTONES, KEY AWARDS, ACHIEVEMENTS AND ACCOLADES OF OUR COMPANY

Financial Year	Description
1985-86	Incorporation of the Company in the name and style of "Silvassa Poly-Tex Industries (India) Private Limited".
2018-19	The Company demerged its HDPE pipes division into Tufropes Private Limited pursuant to a scheme of arrangement under section 230-232 of the Companies Act, 2013 with effect from December 01, 2017 being the appointed date vide order of the NCLT dated July 6, 2018
2022-23	Converted into Public Limited Company vide fresh certificate of incorporation dated December 27, 2022.

### HOLDING COMPANY

Our Company does not have a holding Company as on the date of this Prospectus.

### SUBSIDIARIES

Our Company does not have a Subsidiary Company as on the date of this Prospectus.

### JOINT VENTURES

Except as mentioned below, as on the date of this Prospectus, no other joint Ventures are there:

- Joint Venture Agreement** dated March 7, 2023 entered into by and between Polysil Irrigation Systems Limited and Vima Alliance Infra Private Limited for the purpose of making a bid and entering into a contract against the Tender ID: 2023\_HBC\_261321\_1 Package for Planning, Design, Supply, Installation, Testing, Commissioning and operation & Maintenance for 3 Years.
- Joint Venture Agreement** dated March 7, 2023 entered into by and between Polysil Irrigation Systems Limited and Vima Alliance Infra Private Limited for the purpose of making a bid and entering into a contract against the Tender ID: 2023\_HBC\_261331\_1 Package for Planning, Design, Supply, Installation, Testing, Commissioning and operation & Maintenance for 3 Years.

Since, the tender for which the Joint Venture was formed did not materialize the Joint Venture stand null and void as per the Joint Venture agreement.

### STRATEGIC PARTNERS

Our Company does not have any strategic partners as on the date of this Prospectus.

### FINANCIAL PARTNERS

Apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, as on the date of this Prospectus, our Company does not have any financial partner.

### TIME AND COST OVERRUN IN SETTING UP OF PROJECTS

As on the date of this Prospectus, there have been no instances of time and cost overruns in setting up of our projects.

### DETAILS OF LAUNCH OF KEY SERVICES, ENTRY IN NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS

For details pertaining to launch of key services, entry in new geographies or exit from existing markets, please refer chapter titled "**Business Overview**" on page 102 of this Prospectus.

### CAPACITY/ FACILITY CREATION, LOCATION OF PLANTS

For details regarding capacity and capacity utilization or facility creation and the location of plants, see chapter titled "**Business Overview**" 102 of this Prospectus.

### DEFAULTS OR RESCHEDULING / RESTRUCTURING OF BORROWINGS OUR COMPANY WITH FINANCIAL INSTITUTIONS / BANKS

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

### ACQUISITION OR DIVESTMENTS OF BUSINESS / UNDERTAKINGS, MERGERS AND AMALGAMATIONS

Except as mentioned below, as on the date of this Prospectus, no other Acquisition or Divestments of Business / Undertakings, Mergers and Amalgamations are there:

1. To approve the Scheme of Arrangement between Polysil Irrigation Systems Private Limited ('PISPL' or the 'Demerged Company') and Tufropes Private Limited ('TPL' or the Resulting Company') vide National Company Law Tribunal (NCLT), Mumbai Bench Order dated July 6, 2018.

## **REVALUATION OF ASSETS**

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

## **SHAREHOLDERS AGREEMENTS**

Except the Joint Venture Agreement and Shareholder agreements as detailed below, there are no shareholders and other material agreements, other than those entered into in the ordinary course of business carried on or intended to be carried on by our Company.

## **OTHER MATERIAL AGREEMENTS**

Shareholders' Agreement dated July 13, 2022 ("Shareholders' Agreement" or "SHA"), entered into between our (i) Company; (ii) our Shareholders namely, Bharatkumar Tulshibhai Patel, Payal Jain, Nareshkumar Ranchhodbhai Virja, Prafulbhai D Radadia, Linaben Bhagvanbhai Katrodiya, Bhagwanbhai Ukabhai Katrodiya, Ashaben N Katrodiya, Rashmita Viral Katrodiya; and (iii) the Investors, namely Satishkumar Dayabhai Maniya, Rameshbhai Virjibhai Kakadiya and Sunilkumar Diplal Dhah (herein referred individually as "Party" and collectively as "Parties") setting out their respective inter se rights and obligations vis-à-vis our Company in connection with the purchase of sale shares of the Company from certain the then existing shareholders under the Share Purchase Agreement dated July 13, 2022 ("SPA"). The SPA was executed among the Company, certain the then existing shareholders and the Investors set out above pursuant to which Investors agreed to purchase certain number of equity shares from the then existing shareholders of our Company and to record terms and conditions for purchase of equity shares

The SHA records certain and the rights and obligations of our Company, shareholders and Investors in relation to management, governance and functioning of our Company. In terms of the SHA, the Investors as applicable, have been provided with certain key rights such as right to nominate directors on the Board, rights to appoint observers, certain tag-along rights, pre-emptive rights and right to restrict our Company from issuing securities, transfer restrictions, in accordance with the terms of the SHA.

The SHA also set out obligation of the Company, our Promoters and shareholders with respect to reserved matter and investors consent over such reserved matter. In relation to reserved matters as specified in the SHA, our Company shall not take any action unless consent of Investors is not obtained. Such reserved matters include divestment of, or sale of, or transfer of any assets of the Company, transaction involving merger, demerger, reorganization etc., change in name or business of our Company, disposal of material assets of our Company, related party transactions, etc.

In view of the initial public offer of the Equity Shares of our Company, the Parties, existing as on date, have entered into the Shareholders' Amendment Agreement dated August 10, 2023 pursuant to which the Parties, to the extent applicable, have waived and/or suspended certain of their respective rights, obligations and restrictions that may be triggered under the SHA as a result of our Company undertaking the initial public offer, which, inter alia, include (a) right to nominate directors on our Board and our board committees, to the extent applicable; (b) rights in relation to reserved matters; (c) rights in relation to transfer of securities, (d) rights in relation to pre-emptive rights and exit rights.

The Shareholders' Amendment Agreement provides that SHA shall automatically stand terminated upon the date on which listing and trading of Equity Shares of our Company commences on the Stock Exchange. Further, in case listing is not completed by the date contemplated in the Shareholders' Amendment Agreement, the provisions of the Shareholders' Amendment Agreement shall automatically stand terminated without any further act or deed required on the part of any Party.

## **AGREEMENT WITH KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT PERSONNEL OR DIRECTORS OR PROMOTERS OR ANY OTHER EMPLOYEE OF THE COMPANY**

Except the Joint Venture Agreement between Polysil Irrigation Systems Limited and Vima Alliance Infra Private Limited in which Anilkumar Singh, Non-Executive Director is an interested person, there are no agreements entered into by Key Managerial Personnel or Senior Management Personnel or Directors or Promoters or any other employee, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

## OUR MANAGEMENT

### BOARD OF DIRECTORS DETAILS ARE AS FOLLOWS

As on the date of this Prospectus, our Board comprises of five Directors, including 2 Executive Directors (including our Managing Director), 3 Non-Executive Directors out of which 2 are Non-Executive Independent Directors. Our Company has 1 woman Director. The present composition of our Board and its committees is in accordance with the Companies Act, 2013.

### BOARD OF DIRECTORS DETAILS ARE AS FOLLOWS

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Prospectus
<b>BHARATKUMAR PATEL</b> <b>Designation:</b> Managing Director and Chief Executive Officer (CEO) <b>DIN:</b> 07780251 <b>Date of Birth:</b> June 20, 1974 <b>Age:</b> 49 <b>Occupation:</b> Business <b>Address:</b> D-601, Samsara Luxury Apartments, Chhani Jakat Naka, Vadodara - 390024, Gujarat, India. <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> February 2, 2018 <b>Change in Designation:</b> January 16, 2023 <b>Period of Directorship:</b> Period of 5 (years) with effect from January 16, 2023, liable to retire by rotation.	<b>Public Limited Company</b> Nil <b>Private Limited Company</b> Nil
<b>PRAFULBHAI RADADIA</b> <b>Designation:</b> Whole-Time Director <b>DIN:</b> 09660425 <b>Date of Birth:</b> June 17, 1975 <b>Age:</b> 48 <b>Occupation:</b> Business <b>Address:</b> A/104, Pramukh Preet Residency, T.P-13 Chhani Jakat Naka, Vadodara, Gujarat - 390002, India <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> July 4, 2022 <b>Change in Designation:</b> January 16, 2023 <b>Period of Directorship:</b> Period of 5 (years) with effect from January 16, 2023, liable to retire by rotation.	<b>Public Limited Company</b> Nil <b>Private Limited Company</b> Nil
<b>ANILKUMAR SINGH</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 07527765 <b>Date of Birth:</b> January 5, 1966 <b>Age:</b> 58 <b>Occupation:</b> Business <b>Address:</b> D-602, Samsara Luxury Apartments, TP-13 Chhani Canal Road, Chhani Jakat Naka, Chhani, Vadodara, Gujarat - 390024, India <b>Original Date of Appointment:</b> November 10, 2022 <b>Change in Designation:</b> December 5, 2022 <b>Period of Directorship:</b> Shall be liable to retire by rotation.	<b>Public Limited Company</b> Nil <b>Private Limited Company</b> <ol style="list-style-type: none"> <li>1. Vima Alliance Infra Private Limited,</li> <li>2. Vima Engineering Private Limited,</li> </ol>
<b>BIPINKUMAR HIRPARA</b> <b>Designation:</b> Non-Executive Independent Director <b>DIN:</b> 08249274 <b>Date of Birth:</b> July 21, 1976 <b>Age:</b> 47 <b>Occupation:</b> Professional <b>Address:</b> B-902, Swapna Sangini, B/H. Nandanvan 2, Vesu, Vip Road, Surat, Gujarat – 395 007, India <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> January 16, 2023	<b>Public Limited Company</b> <ol style="list-style-type: none"> <li>1. IBL Finance Limited</li> <li>2. Quest Softech (India) Limited</li> </ol> <b>Private Limited Company</b> <ol style="list-style-type: none"> <li>1. Parthasarathi Academy Private Limited</li> </ol>

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Prospectus
<b>Change in Designation:</b> January 23, 2023 <b>Period of Directorship:</b> 5 consecutive years with effect from January 16, 2023 and shall not be liable to retire by rotation.	
<b>MONA PATEL</b> <b>Designation:</b> Non-Executive Independent Director <b>DIN:</b> 10042161 <b>Date of Birth:</b> December 2, 1988 <b>Age:</b> 35 <b>Occupation:</b> Professional <b>Address:</b> A/7, Upvan Society, VIP Road, Near Ayodhya Nagar, Vadodara, Gujarat – 390 018, India <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> February 13, 2023 <b>Change in Designation:</b> March 6, 2023 <b>Period of Directorship:</b> 5 consecutive years with effect from February 13, 2023 and shall not be liable to retire by rotation.	<b>Public Limited Company</b> Nil <b>Private Limited Company</b> Nil

### Brief Biographies of our Directors

**BHARATKUMAR PATEL** is the Managing Director and Chief Executive Officer (CEO) of the board of our Company. He is one of the promoters of our Company. He has been associated with our Company for more than 10 years. He holds a diploma certificate in electronics and communication engineering from gomatesh polytechnic belgaum. He has around 10 years of experience in the field of micro irrigation sector.

**PRAFULBHAI RADADIA** is a Whole-Time Director of our Company. He has been associated with our Company for more than 10 years. He holds a degree of B. Tech. in agricultural engineering from Gujarat Agricultural University. He has around 10 years of experience in the field of micro irrigation sector.

**ANILKUMAR SINGH** is the Non -Executive Non-Independent Director of our Company. He holds a bachelor's of science degree in Mechanical Engineering from Patna University. He has around 7 years of experience across various businesses. He was appointed on the board of our Company w.e.f. November 10, 2022. He is also associated with the Companies like Vima Alliance Infra Private Limited as a Managing Director and Vima Engineering Private Limited as a Director.

**BIPINKUMAR HIRPARA** is the Non-Executive Independent Director of our Company. He is a Chartered Accountant and possesses more than 20 years of post-qualification experience. He was appointed on the board of our Company w.e.f. January 16, 2023. He is also associated as a Director with Parthasarathi Academy Private Limited. He has over 20 years of experience in the finance sector.

**MONA PATEL** is the Non-Executive Independent Director of our Company. She is a Chartered Accountant and possesses more than 10 years of post-qualification experience. She was appointed on the board of our Company w.e.f. February 13, 2023. She has over 10 years of experience in the finance sector.

### Relationship between our Directors

As on the date of this Prospectus, none of our directors are related to each other as per section 2(77) of the Companies Act, 2013.

### Relationship between our Directors and KMPs

As on the date of this Prospectus, none of our directors and KMPs are related to each other.

### Details of any arrangement or understanding with major shareholders, customers, suppliers or others

As on the date of this Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers and none of our Directors or members of senior management were appointed pursuant to any arrangement or understanding with any major shareholders, customers, suppliers or others.

### Service contracts with Directors

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

### Borrowing Powers of the Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by the at the EGM of the Company held on January 23, 2023 pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act and rules made thereunder, our Board



has been authorized to borrow any sum of money from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital and free reserves of our Company, provided that the total outstanding amount so borrowed shall not any time exceed the limit of ₹ 100 Crores.

#### Terms of Appointment & Remuneration to Executive Directors

##### BHARATKUMAR PATEL

He was appointed as a Managing Director and Chief Executive Officer (CEO) of our Company in the Extra-Ordinary General Meeting held January 23, 2023 for the period of Five (5) consecutive years with effect from January 16, 2023. His terms and conditions as approved by the Shareholders at their meeting held on January 23, 2023 are laid down as under:

Particulars	Remuneration
Salary, Commission, Perquisites, allowance & other benefits	Rs. 5.00 Lakh per month

##### PRAFULBHAI DAMJIBHAI RADADIA

He was appointed as a Whole-Time Director of our Company in the Extra-Ordinary General Meeting held January 23, 2023 for the period of Five (5) consecutive years with effect from January 16, 2023. His terms and conditions as approved by the Shareholders at their meeting held on January 23, 2023 are laid down as under:

Particulars	Remuneration
Salary, Commission, Perquisites, allowance & other benefits	Rs. 2.00 Lakh per month

#### Remuneration paid to Executive Directors during the financial year ended 2022-23

(₹ in Lakhs)

Name of the Director	2022-23
Bharatkumar Patel	42.02
Prafulbhai Radadia	12.98

#### Payment or benefit to Non -Executive Non – Independent Director and Non - Executive Independent Directors of our Company

Pursuant to Board resolution dated March 2, 2023, it is hereby accorded for payment of sitting fees in the following manner, to the Non-Executive Non-Independent Director and Non-Executive Independent Director of the company for attending the meetings or committee thereof attended by them until further change of consensus in this regard.

Sr. No.	Name Of Meetings	Sitting Fees Per Meeting
1.	Board of Directors	₹ 5,000
2.	Audit Committee	₹ 3,500
3.	Nomination and Remuneration Committee	₹ 2,000
4.	Stakeholder's Relationship Committee	₹ 2,000
5.	Independent Directors Committee	₹ 5,000

Further, our Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act and the SEBI Listing Regulations.

No sitting fees or commission was paid by our Company to any Non-Executive Independent Directors and to Non-Executive Non-Independent Director in Financial Year 2021- 2022.

#### Shareholding of Directors in our Company

As per our AOA, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as on the date of this Prospectus is set forth below:

Name of director	Number of equity shares
Bharatkumar Patel	28,66,500
Prafulbhai Radadia	4,77,750



Name of director	Number of equity shares
<b>Total</b>	<b>33,44,250</b>

### Confirmations

Except as disclosed in this Prospectus, our Directors are not interested as a member in any firm or company which has any interest in our Company.

None of our Directors is or was a director of any listed companies, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the five (5) years preceding from the date of this Prospectus, during their term of directorship in such company.

None of our Directors is or was, a Director of any listed companies, which has been or were delisted from any stock exchange(s), during their term of directorship in such Company.

None of our Directors have been or was identified as Wilful Defaulters or Fraudulent Borrower as defined under SEBI ICDR Regulations.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

Except as disclosed below, none of our Directors, Promoter or persons forming part of our Promoter Group are persons appearing in the list of directors of struck-off companies by the RoC or the MCA under section 248 of the Companies Act, 2013

Name of the Individual	Category	Name of the entity struck-off	Reason for striking off
Bharatkumar Patel	Promoter	Polysil Drip Irrigation LLP	Pursuant to voluntary application to strike-off under section 248(2) of the Companies Act, 2013

There has been delayed in the payment of loans/borrowing availed by our Promoter namely Bharatkumar Patel for the last three fiscal years are as below;

Name of the lender	Amount borrower	Period of delay	Current Status	Remarks if nay
Icici Bank	3,00,000	0	Active	Credit card
Bajaj Finserv Ltd.	35,00,055	0	Active	Business Loan
Bajaj House Finance Ltd	4,97,728	0	Active	Personal Loan
Hdfc Bank	15,10,121	0	Active	Corporate Credit card
Icici Bank	1,14,00,000	0	Active	Loan
Axis Bank	1,55,906	0	Active	Credit card
Idfc First Bank Ltd.	20,47,113	0	Closed	
Bajaj Housing Finance Ltd	49,79,000	0	Closed	Transferred to Union Bank of India
Baja Housing Finance Ltd	60,34,000	0	Closed	Transferred to Union Bank of India
Bajaj Housing Finance Ltd.	29,87,000	0	Closed	Transferred to Union Bank of India
Union Bank Of India	5,75,6000	0	Active	Housing Loan
Union Bank Of India	1,00,00,000	0	Active	Top Up Loan
Sbi Card And Payment Service Pvt. Ltd.	1,94,965	0	Active	Credit card
Cholamandalam Investment And Finance Company Ltd.	2,41,626	0	Closed	
Hdfc Bank Ltd.	1,31,417	0	Closed	
Idfc First Bank Ltd	20,32,618	0	Closed	

Name of the lender	Amount borrower	Period of delay	Current Status	Remarks if nay
Kotak Mahindra Bank Ltd	20,00,000	0	Closed	
Tata Capital Financial Service Ltd.	15,00,000	December 2020 – 59 days, October 2020 – 90 days, August 2020 – 121 days	Closed	Moratorium Facility provided by RBI due to COVID-19 for the period Mar 20 to Aug 20
Hdfc Bank Ltd	20,00,000	0	Closed	
Icici Bank Ltd	12,15,131	April20 – 25 Days	Closed	Moratorium Facility provided by RBI due to COVID-19 for the period Mar 20 to Aug 20
Icici Bank Ltd	34,75,000	Aug20 – 25 Days	Closed	Moratorium Facility provided by RBI due to COVID-19 for the period Mar 20 to Aug 20
Icici Bank Ltd	65,65,035	Aug20 – 25 Days	Closed	Moratorium Facility provided by RBI due to COVID-19 for the period Mar 20 to Aug 20
Capfloat Financial Service Pvt. Ltd.	3,00,000	0	Closed	
Idfc First Bank Ltd.	12,00,000	April 2020- 52 days May 2020- 83 days August 2020 – 22 days September 2020 – 21 days November 2020 – 82 days February 2021- 142 days March 2021 – 173 days April 2021- 203 days May 2021- 234 days June 2021 -264 days July 2021- 295 days Aug 2021 – 326 days September 2021- 356 days October 2021 – 387 days November 2021 – 417 days December 2021 – 448 days	Closed	Moratorium Facility provided by RBI due to COVID-19 for the period Mar 20 to Aug 20 and also cashflow stress. However, the account was subsequently closed.
Bajaj Finserv Ltd	15,15,000	June 2020 – 27 days July 2020 – 28 days August 2020 – 28 days September 2020 – 27 days October 2020 – 58 days	Closed	Moratorium Facility provided by RBI due to COVID-19 for the period Mar 20 to Aug 20. Shortage of cashflow for the period Sep 20 & Oct 20 due to COVID 19

Name of the lender	Amount borrower	Period of delay	Current Status	Remarks if nay
Sbi Card And Payment Service Pvt. Ltd	1,41,997	0	Closed	
Rbl Bank Ltd.	2299	0	Closed	
Dhani Loan And Service Ltd.	9,71,870	June 2020 – 25 days	Closed	Moratorium Facility provided by RBI due to COVID-19 for the period Mar 20 to Aug 20
Icici Bank Ltd	25,00,000	0	Active	Personal Loan

There has been delayed in the payment of loans/ borrowing availed by our Promoter namely Praful Radadia Patel for the last three fiscal years are as below;

Name of the lender	Amount borrower	Period of delay	Current Status	Remarks
Icici Bank Ltd	15,38,595	0	Active	Home loan
Icici Bank Ltd	4,50,000	0	Active	Property loan
Bajaj Finserv Ltd	5,45,000	0	Active	Personal Loan
Hdfc Bank Ltd	2,79,300	0	Active	Gold loan
Cholamandalam Inv. And Finance Company Ltd.	12,00,000	0	Active	Business Loan
Hdfc Bank Ltd.	1,85,000	December 2020 - 1 day	CLOSED	

#### Interest of directors

All our Non-Executive Directors including Independent Director may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles. Our Executive Directors deemed to be interested to the extent of remuneration payable to them pursuant to Articles of the Company and resolution approved by the Board of Directors/ Members of our Company, as the case may be, time to time for services rendered as an officer or employee of our Company. The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer chapter titled **“Our Management - Shareholding of Directors in our Company”** beginning on 133 of this Prospectus.

Except for **Bharatkumar Patel** and **Prafulbhai Radadia** who are promoters of our Company and **Anilkumar Singh** being an interested person in the Joint Venture Agreement between Polysil Irrigation Systems Limited and Vima Alliance Infra Private Limited, none of the other Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Except as stated in the chapter **“Business Overview”** beginning on 102 of this Prospectus and in the chapter **“Restated Financial Statement”** beginning on page 153 none of our Directors have any interest in the property acquired or proposed to be acquired by our Company.

Except as stated in **“Restated Financial Statement”** beginning on page 153 and as disclosed in this section, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

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

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

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

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

#### Changes in the board of directors in the last three (3) years immediately preceding the date of Prospectus.

There has been no change in the Board of Directors, except as stated below during the last three (3) years preceding the date of this Prospectus.:

Sr. No	Name	Date of Change in Designation / Appointment / Cessation	Reason
1	Madhav Goel	September 25, 2020	Cessation as a Director
2	Saurabh Goel	September 25, 2020	Cessation as a Director
3	Arun Goel	September 25, 2020	Cessation as a Director
4	Prafulbhai Radadia	July 4, 2022	Appointment as an Additional Director
5	Dilip Dholaria	September 6, 2022	Cessation as a Director
6	Prafulbhai Radadia	September 30, 2022	Regularization as an Executive Director
7	Anilkumar Singh	November 10, 2022	Appointment as an Additional Non-Executive Independent Director
8	Anilkumar Singh	December 5, 2022	Regularization as a Non-Executive Independent Director
9	Bharatkumar Patel	January 16, 2023	Change in Designation as Managing Director and Chief Executive Officer (CEO)
10	Prafulbhai Radadia	January 16, 2023	Change in Designation as Wholetime Director
11	Bipinkumar Hirpara	January 16, 2023	Appointment as an Additional Non-Executive Independent Director
12	Bipinkumar Hirpara	January 23, 2023	Regularization as a Non-Executive Independent Director
13	Mona Patel	February 13, 2023	Appointment as an Additional Non-Executive Independent Director
14	Mona Patel	March 6, 2023	Regularization as a Non-Executive Independent Director

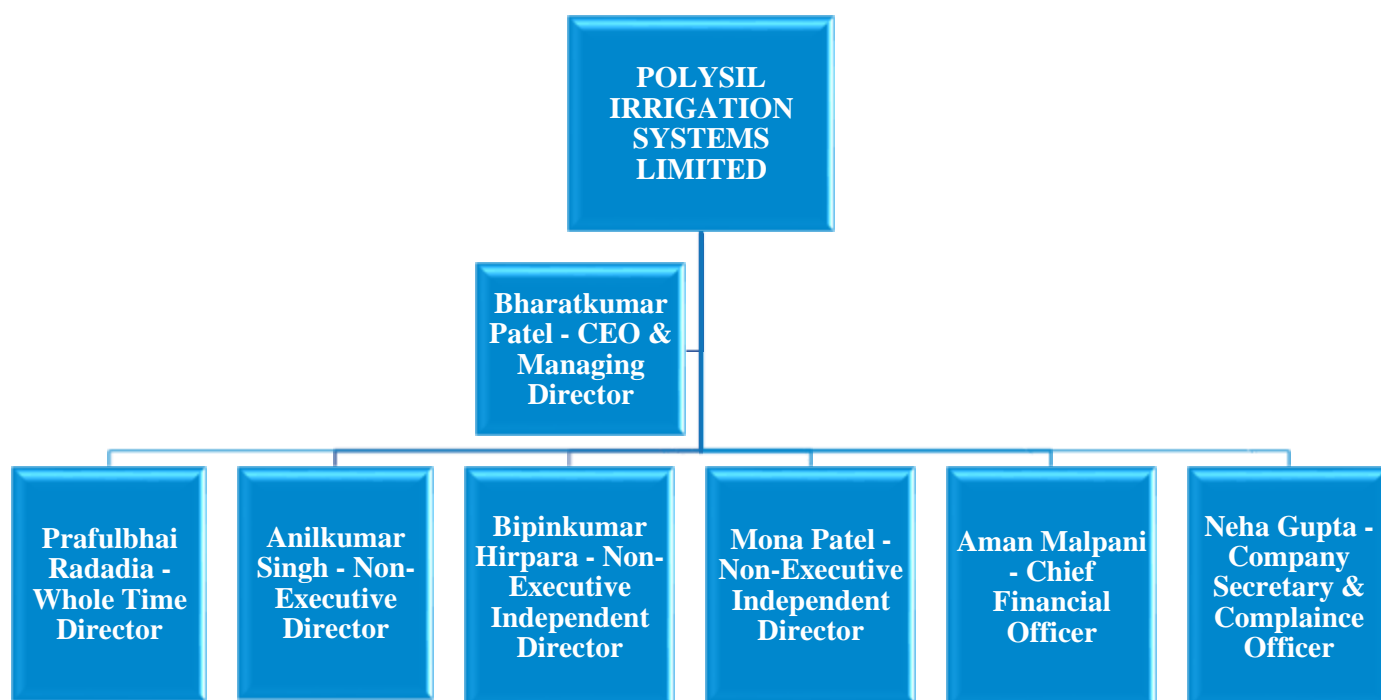
#### COMPANIES WITH WHICH OUR DIRECTOR HAS DISASSOCIATED IN THE LAST THREE (3) YEARS

Except mentioned below, our Directors have not disassociated themselves from any firms or companies in the last three (3) years preceding this Prospectus.

Name of the Individual	Category	Name of the entity struck-off	Reason for striking off
Bharatkumar Patel	Promoter	Polysil Drip Irrigation LLP	Pursuant to voluntary application to strike-off under section 248(2) of the Companies Act, 2013

## Management Organization Structure

The following chart depicts our Management Organization Structure



## Corporate Governance

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI Listing Regulations to the extent applicable to the entity whose shares are listed on NSE EMERGE and shall be applicable to us immediately upon the listing of our Equity Shares with the NSE EMERGE. We are in compliance with the requirements of the applicable regulations, including SEBI Listing Regulations, SEBI regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions

### Committees of the Board of directors

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee and (iii) Stakeholders Relationship Committee

#### (i) Audit Committee

Our Company has constituted an Audit Committee as per Section 177 and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable Clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines vide resolution passed in the meeting of our Board dated March 2, 2023. The constitution of the Audit Committee is as follows:

Name of Director	Position in the Committee	Designation
Mona Patel	Chairman	Non-Executive Independent Director
Bipinkumar Hirpara	Member	Non-Executive Independent Director
Bharatkumar Patel	Member	Managing Director and CEO

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

#### Tenure:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

#### Meetings of the Committee:

The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

#### Role and Powers

The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:

#### Role of Audit Committee

- i. The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
- ii. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- iii. Examination of financial statement and auditors' report thereon including interim financial result before submission to the Board of Directors for approval, particularly with respect to;
  - a. Changes, if any, in accounting policies and practices and reasons for the same,
  - b. Major accounting entries involving estimates based on the exercise of judgment by management,
  - c. Significant adjustments made in the financial statements arising out of audit findings,
  - d. Compliance with listing and other legal requirements relating to financial statements,

- e. Disclosure of any related party transactions,
  - f. Modified opinion(s) / Qualifications in the draft audit report.
- iv. Approval or any subsequent modification of transactions of the Company with related party, subject following conditions;
    - The Audit Committee may make omnibus approval for related party transactions proposed to be entered in to by the Company subject to such conditions provided under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof;
    - In case of transaction, other than transactions referred to in section 188 of Companies Act 2013 or any subsequent modification(s) or amendment(s) thereof, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;
    - In case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee;
  - v. Reviewing, with the management, and monitoring the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus, and making appropriate recommendations to the Board to take up steps in this matter;
  - vi. Scrutiny of inter-corporate loans and investments;
  - vii. Reviewing and discussing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - viii. To review the functioning of the whistle blower mechanism, in case the same is existing;
  - ix. Valuation of undertakings or assets of the company, where ever it is necessary;
  - x. Evaluation of internal financial controls and risk management systems and reviewing, with the management, performance of internal auditors, and adequacy of the internal control systems; and
  - xi. 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;
  - xii. To monitor the end use of fund invested or given by the Company to Subsidiary Companies;
  - xiii. Carrying out any other function as assigned by the Board of Directors from time to time.

Further, the Audit Committee shall mandatorily review the following:

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

Further, the Audit Committee shall have power;

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- v. Call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- vi. To investigate into any matter in relation to the items specified in sub-section (4) of Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

**(ii) Nomination and Remuneration Committee**



Our Company has constituted Nomination and Remuneration Committee in terms of Section 178, Schedule V and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines, in the meeting of the Board of Directors held on March 2, 2023. The Nomination and Remuneration Committee presently consists of the following Directors of the Board.

Name of Director	Position in the Committee	Designation
Bipinkumar Hirpara	Chairman	Non-Executive Independent Director
Mona Patel	Member	Non-Executive Independent Director
Anilkumar Singh	Member	Non-Executive Director

**Tenure:**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**Meetings:**

The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

**Role of Terms of Reference:**

- (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 remuneration of the directors, key managerial personnel 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; and
- (iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.
- (v) To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

**(iii) Stakeholders Relationship Committee**

Our Company has constituted the Stakeholders Relationship Committee in terms of Section 178 sub section (5) and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the meeting of Board of Directors dated March 2, 2023. The Stakeholders Relationship Committee presently consists of following Directors of the Board:

Name of Director	Position in the Committee	Designation
Bipinkumar Hirpara	Chairman	Non-Executive Independent Director
Mona Patel	Member	Non-Executive Independent Director
Bharatkumar Patel	Member	Managing Director and CEO

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholder's Relationship Committee.

**Tenure:**

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

**Meetings:**

The Stakeholders Relationship Committee shall meet at least once in a year and report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

**Terms of Reference:**

To supervise and ensure;

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

#### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Emerge platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. The Board of Directors at their meeting held on March 20, 2023 have approved and adopted the policy for prevention of insider trading.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

#### **POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on Emerge Platform of NSE. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the Emerge Platform of NSE. The Board of Directors at their meeting held on March 20, 2023 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

#### **Our Key Managerial Personnel and Senior Managerial Personnel**

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

##### **Brief Profile of Key Managerial Personnel:**

##### **Neha Gupta, Company Secretary & Compliance Officer**

Neha Gupta, aged 35 years is Company Secretary & Compliance Officer of our Company. She was appointed by our Board of Directors in their meeting held on February 1, 2023. She holds the degree of Company Secretary from Institute of Company Secretaries of India and holds an experience of more than 5 years in secretarial compliances. Prior to joining our Company, she was associated with Shree Shipping Services Private Limited.

##### **Aman Malpani, Chief Financial Officer**

Aman Malpani, aged 27 years, is the Chief Financial Officer of our Company. He was appointed by the Board of Directors of our Company as Chief Financial Officer with effect from February 1, 2023. He is a Chartered Accountant and has more than 3 years of post-qualification working experience. He has over 3 years of experience in the finance sector.

##### **Bharatkumar Patel, Managing Director**

For the complete profile of Bharatkumar Patel, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see chapter “*Our Management - Brief Biographies of our Directors*” beginning on 133 of this Prospectus

##### **Prafulbhai Radadia, Whole Time Director**

For the complete profile of Prafulbhai Radadia, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see chapter **“Our Management - Brief Biographies of our Directors”** beginning on 133 of this Prospectus

#### **Senior Management Personnel**

Except as disclosed in “–Key Management Personnel” mentioned above, there are no other Senior Management Personnel in our Company.

#### **Nature of any family relation between any of the key managerial personnel or Senior Management Personnel**

None of the Key Managerial Personnel are related to each other or to any of our Directors.

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

As on the date of this Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers or others, pursuant to which any of the Key Managerial Personnel or Senior Management Personnel were selected as a Key Managerial Personnel.

#### **Compensation paid to Key Managerial Personnel or Senior Management Personnel during last financial year i.e., 2022-23**

For details with respect to the compensation paid to our Key Managerial Personnel during preceding Financial Year 2022-23 refer **“Terms and conditions of employment of our Executive Directors of our Company”** beginning on 133 and **“Restated Financial Statements”** beginning on page 153 of this Prospectus.

Neha Gupta has been appointed as Company Secretary and Compliance Officer w.e.f. February 1, 2023.

Aman Malpani has been appointed as Chief Financial Officer w.e.f. February 1, 2023.

The following the remuneration paid to the KMP for the financial year 2023 are as follows:

<b>Name</b>	<b>Remuneration (₹ in Lakhs)</b>
Neha Gupta	0.63
Aman Malpani	8.09

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

None of the Key Management Personnel or Senior Management Personnel is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel or Senior Management Personnel.

#### **Status of Permanent Employment of KMPs or Senior Management Personnel**

All the key managerial personnel or Senior Management Personnel mentioned above are permanent employees of our Company.

#### **Payment or Benefits to of our KMPs or Senior Management Personnel (non-salary related)**

No non – salary amount or benefit has been paid or given to any of our Key Managerial Personnel or Senior Management Personnel within the two preceding years or is intended to be paid or given.

#### **Service Contracts with KMPs or Senior Management Personnel**

Our Company does not have any service contract with the KMP or Senior Management Personnel pursuant to which they are entitled to any benefits upon termination of employment.

#### **Employees’ Stock Option or or Employee Stock Purchase Scheme**

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

#### **Attrition**

None of our key management personnel attrition rate is high as compared to the industry.

#### **Shareholding of the Key Managerial Personnel or Senior Management Personnel**

Except as disclosed in “Shareholding of Directors in our Company” please refer to the chapter titled **“Capital Structure”** beginning on 63 of this Prospectus, none of our Key Managerial Personnel or Senior Management Personnel hold any Equity Shares in our Company as on the date of this Prospectus

#### **Changes in Key Managerial Personnel during or Senior Management Personnel preceding Three (3) Years**

Except as mentioned below, there has been no change in Key Managerial Personnel or Senior Management Personnel during the last three (3) years preceding the date of this Prospectus:

Name of KMP	Date of Change in Designation / Appointment	Reason
Prafulbhai Radadia	January 16, 2023	Change in Designation as Whole-Time Director
Bharatkumar Patel	January 16, 2023	Change in Designation as Managing Director and Chief Executive Officer
Neha Gupta	February 1, 2023	Appointment as the Company Secretary and Compliance Officer
Aman Malpani	February 1, 2023	Appointment as the Chief Financial Officer

## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTER

The Promoters of our Company are Bharatkumar Patel and Prafulbhai Radadia.

As on the date of this Prospectus, our Promoters holds in aggregate 33,44,250 Equity Shares of face value ₹10/- each, representing 33.79 % of the issued, subscribed and paid-up Equity Share Capital of our Company.

### BRIEF PROFILE OF OUR PROMOTER IS AS FOLLOWS:

	<p><b>Bharatkumar Patel</b>, aged 49 years, is one of our Promoters and is also the Chief Executive Officer and Managing Director on our Board.</p> <p><b>Address:</b> D-601, Samsara Luxury Apartments, Chhani Jakat Naka, Vadodara, Gujarat - 390024, India</p> <p><b>Date of Birth:</b> June 20, 1974</p> <p><b>Permanent Account Number:</b> AKSPP0585F</p> <p>For the Complete Profile of Bharatkumar Patel i.e.; his educational qualifications, professional experience, positions / posts held in the past, directorships held, other ventures and business and financial activities, see “<b>Our Management</b>” on page 133 of this Prospectus.</p>
	<p><b>Prafulbhai Damjibhai Radadia</b>, aged 48 years, is one of our Promoters and is also the Whole-Time Director of the Company</p> <p><b>Address:</b> A/104, Pramukh Preet Residency, T.P-13 Chhani Jakat Naka, Vadodara, Gujarat – 390 002, India</p> <p><b>Date of Birth:</b> June 17, 1975</p> <p><b>Permanent Account Number:</b> AIPPR2812Q</p> <p>For the Complete Profile of Prafulbhai Radadia i.e.; his educational qualifications, professional experience, positions / posts held in the past, directorships held, other ventures and business and other activities, see “<b>Our Management</b>” on page 133 of this Prospectus.</p>

### DECLARATION

Our Company confirms that the Permanent Account Number (PAN), Aadhar Card Number, Driving License Number, Bank Account Number(s) and Passport Number(s) of our Promoters shall be submitted to NSE EMERGE at the time of filing this Prospectus.

### OTHER VENTURES OF OUR PROMOTER

Other than as disclosed in this chapter “**Our Promoter and Promoter Group**” and “**Our Group Companies**” on page 147 and 146, our promoters are not involved in any other ventures.

## CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

Our Company was incorporated by Rajan Arora and Mangilal Shah and thereafter in the year 1993, Management of the company changed to Arun Goel and Kusum Goel and then after management of the Company was takeover by Bharatkumar Patel and Prafulbhai Radadia. Bharatkumar Patel and Prafulbhai Radadia have been identified as promoters of our Company pursuant to a resolution passed by our Board on January 16, 2023 and through shareholder resolution dated January 23, 2023. For further details of acquisition of Equity Shares by our Promoters, please see “*Capital Structure – Build-up of the Promoters’ shareholding in our Company*” on page 95. Except as disclosed herein there has been no change in the shareholding or control of our Company.

Name of the Promoter	2021		2022		2023	
	Shareholder	Promoter	Shareholder	Promoter	Shareholder	Promoter
Bharatkumar Patel	Yes	Yes	Yes	Yes	Yes	Yes
Dilipkumar Dholaria	Yes	Yes	Yes	Yes	No*	No*
Prafulbhai Radadia	Yes	No	Yes	No	Yes	Yes

*\*ceased to be shareholder and promoter since July 27, 2022*

While all three shareholders namely, Dilipkumar Dholaria, Bharatkumar Patel and Prafulbhai Radadia were shareholders of the Company however, only Dilipkumar Dholaria and Bharatkumar Patel were disclosed as promoters. Upon cessation of Dilipkumar Dholaria, Bharatkumar Patel and Prafulbhai Radadia were classified as Promoter of the Company vide resolution passed by our Board on January 16, 2023 and through shareholder resolution dated January 23, 2023

## INTEREST OF PROMOTER

### Interest in Promotion of our Company

Our Company is promoted by Bharatkumar Patel and Prafulbhai Radadia who hold 33,44,250 Equity Shares of our Company as of the date of this Prospectus.

Our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of his shareholdings in our Company and the shareholding of his relatives in our Company and employment related benefits paid by our Company i.e., remuneration and reimbursement of expenses payable to them in such capacities. For further details, please refer chapter titled “*Capital Structure*” and “*Our Management*” beginning on pages 63 and 133, respectively of this Prospectus.

Our Promoters are also interested in our Company to the extent of being Directors of our Company and the remuneration and reimbursement of expenses payable to them in such capacities.

Our Promoters may also be interested to the extent of providing personal guarantees for some of the loans taken by our Company and also to the extent of unsecured loans.

No sum has been paid or agreed to be paid to our Promoters and our Promoters are not interested as members of any firm or any company and hence no sum has been paid or agreed to be paid to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Further, our Promoters are also directors on the boards, or are shareholders, members or partners, of certain entities forming part of the Promoter Group, Group Company and other entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to such entities forming part of the Promoter Group, Group Company and such other entities. For the payments that are made by our Company to certain entities forming part of the Promoter Group, Group Company and other related parties, see “*Summary of Offer Document – Summary of Related Party Transactions*” and “*Our Group Companies*” page 16 & 146 respectively.

Our Promoters are not interested in any transaction in acquisition of land, construction of building or supply of machinery.

For further details regarding the payments made by our Company to the entities mentioned above, see “*Summary of Offer Document – Summary of Related Party Transactions*” on page 16.

For further details, please refer chapter titled “*Capital Structure*”, “*Restated Financial Statement*” and “*Our Management*” on pages 63, 153 and 133, respectively of this Prospectus.

### Interest in the properties of our Company

Except as mentioned in the chapter titled “*Business Overview*” and “*Restated Financial Statement*” on page 102 and 153 respectively of this Prospectus, none of our Promoters and Members of Promoter Group have any interest in any property acquired by or proposed to be acquired by our Company during a period of three (3) years prior to filing of the Prospectus.

### Other Interest

Except as mentioned in the chapter titled “*Restated Financial Statements*” and “*Business Overview*” on page 153 and 102 respectively, our Promoters are not interested in any transaction for acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

### **INTEREST OF DIRECTORS**

For further details please refer Chapter “*Our Management*” on page 133 of this Prospectus.

### **INTEREST OF GROUP COMPANY**

For further details please refer Chapter “*Our Group Companies*” on page 146 of this Prospectus.

### **PAYMENT OR BENEFITS TO OUR PROMOTER AND PROMOTER GROUP DURING THE LAST TWO YEARS**

Except in the ordinary course of business and as stated in chapter “*Restated Financial Statements*” beginning on page 153 of this Prospectus, there has been no payment or benefits to our Promoter during the two (2) years preceding the date of filing of this Draft Prospectus, nor there is any intention to pay or give any benefit to our Promoter and Promoter Group as on the date of this Prospectus.

### **EXPERIENCE OF OUR PROMOTER IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoter in the business of our Company, see chapters titled “*Business Overview*” and “*Our Management*” on page 102 and 133 respectively of this Prospectus.

### **RELATED PARTY TRANSACTIONS**

For the transactions with our Group companies, please refer to chapter titled “*Restated Financial Statements - Note – 36 - Related Party Transactions*” on page 153 of this Prospectus

### **LITIGATION INVOLVING OUR PROMOTERS**

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled “*Outstanding Litigation and Material Developments*” on page 203 of this Prospectus.

### **MATERIAL GUARANTEES**

Except as stated in the chapters titled “*Financial Indebtedness*” and “*Restated Financial Statements*” beginning on page 201 and 153 of this Draft Prospectus, respectively, there are no material guarantees given by our Promoter to third parties with respect to specified securities of the Company as on the date of this Prospectus.

### **COMPANIES WITH WHICH OUR PROMOTER HAS DISASSOCIATED IN THE LAST THREE (3) YEARS**

Except mentioned below, our Promoters have not disassociated themselves from any firms or companies in the last three (3) years preceding this Prospectus.

Name of the Individual	Category	Name of the entity struck-off	Reason for striking off
Bharatkumar Patel	Promoter	Polysil Drip Irrigation LLP	Pursuant to voluntary application to strike-off under section 248(2) of the Companies Act, 2013

### **CONFIRMATIONS**

None of our Promoters and members of our Promoter Group have been declared as Wilful Defaulter or Fraudulent Borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrower issued by Reserve Bank of India.

None of our Promoters have been declared as Fugitive Economic Offenders.

None of our Promoters and members of our Promoter Group have been debarred or prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Promoters are and have been a promoter, director or person in control of any other company which is debarred or prohibited from accessing capital markets under any order or direction passed by SEBI.

There has been delayed in the payment of loans/borrowing availed by our Promoter namely Bharatkumar Patel for the last three fiscal years. For more details, please refer to chapter titled “*Our Management*” beginning on page 133 of the Prospectus.

### **OUR PROMOTER GROUP**



Our Promoter Group in terms of Regulations 2(1) (pp) of the SEBI (ICDR) Regulations 2018, is as under:

- A. *The natural persons who are part of the Promoter Group (due to their relationships with our Promoter), other than our Promoter, are as follows:*

Relationship With Promoter	Bharatkumar Patel	Prafulbhai Radadia
<b>Father</b>	Tulsibhai Patel	Damjibhai Radadia
<b>Mother</b>	Parvatiben Patel	Savitaben Radadia
<b>Brother</b>	1) Rajendrakumar Savani 2) Nitinbhai Patel	1) Radadiya Rameshbhai 2) Radadiya Nitinbhai
<b>Sister</b>	Gadhiya Ushaben	Kachhadiya Gitaben
<b>Spouse</b>	Asmitaben Patel	Aratiben Radadiya
<b>Son</b>	Het Savani	Harsh Radadia
<b>Daughter</b>	Preet Savani	Dhruvi Radadia
<b>Spouse's Father</b>	Ramjibhai Vaghasiya	Dhirubhai Desai
<b>Spouse's Mother</b>	Late Shardaben Vaghasiya	Desai Leelaben
<b>Spouse's Brother</b>	NA	1) Bharatkumar Desai 2) Ashish Desai
<b>Spouse's Sister</b>	Ashaben Katrodiya	Kapadiya Bhartiben

- B. **Our Promoter Group as defined under Regulation 2(1) (pp) of SEBI ICDR Regulations 2018 includes entities, companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:**

- 1) Santosh Machinery Stores – proprietary concern of Nitinbhai Patel
- 2) Smart Trading Services - proprietary concern of Asmitaben Patel
- 3) Santosh Agritech Services - proprietary concern of Bharatkumar Patel
- 4) Shakti Developers
- 5) Khanak Developers

#### **SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY**

For details of the shareholding of our Promoters and Promoter Group as on the date of this Prospectus, please refer chapter titled *“Capital Structure”* on page 63 of this Prospectus.

## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the terms “**group companies**”, **includes** (i) such companies (other than promoter and Subsidiaries with which the relevant issuer company had related party transactions, had 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 issuer company.

Accordingly, for (i) above, all such companies (other than the Promoters) with which there were related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, shall be considered as ‘**Group Companies**’ of the Company in terms of the SEBI ICDR Regulations.

Further, for (ii) above, the Board dated March 20, 2023 pursuant to the Materiality Policy, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Financial Statements) shall be considered “material” and will be disclosed as a ‘group company’ in the offer documents, and the Company has entered into one or more transactions with such company during the last completed Financial year (or relevant sub period, if applicable), which individually or cumulatively in value exceeds 10% of the Revenue of the Company for the last completed Financial as per the Restated Financial Statements.

Accordingly, based on the parameters outlined above, as on the date of this Prospectus, the following Companies are identified as our Group Companies: -

- 1) Tufropes Private Limited\*
- 2) Resin Distributors Limited\*
- 3) Aden Pharmaceuticals Private Limited\*

*\*The above entities were part of the erstwhile promoter group and directors. Upon transfer of the shares held by the erstwhile promoters of the Company and cessation of the directorship, these entities ceased to be part of the Group Companies. Accordingly, no information is provided with respect to these entities.*

Accordingly, as on the date of this Prospectus there are no Group Companies.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The declaration of dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company and any other factors considered by our Board of Directors. The Articles of Association also provides discretion to our Board to declare and pay interim dividends. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer chapter titled “*Financial Indebtedness*” beginning on page 201 of this Prospectus.

All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors and shall pay dividends in accordance with the provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association and other Applicable Laws.

**Our Company has not declared and/or paid any dividend on the Equity Shares since incorporation.**

**SECTION VI: FINANCIAL STATEMENTS**  
**RESTATED FINANCIAL STATEMENT**

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



**SECTION IX FINANCIAL STATEMENT**  
**RESTATED FINANCIAL STATEMENT INFORMATION**

**Independent Auditor's Examination report on Restated Financial Information of Polysil Irrigation Systems Limited (Formerly known as Polysil Irrigation Systems Private Limited)**

**To,**  
**The Board of Directors**  
**Polysil Irrigation Systems Limited**  
**(Formerly Known as Polysil Irrigation Systems Private Limited)**  
Survey No. 340/1, At/PO-Raniya,  
Sakarda-Bhadrava Road, Ta-Savli,  
Dist-Vadodara, 391780.

Dear Sirs,

1. We have examined the attached Restated Financial Information of Polysil Irrigation Systems Limited (Formerly known as Polysil Irrigation Systems Private Limited.) (the "Company") comprising the Restated Statement of Assets and Liabilities as at August 15, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 the Restated Statements of Profit and Loss and the Restated Cash Flow Statement for the period ended August 15, 2023, March 31, 2023, 2022 and 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively referred to as, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 22<sup>nd</sup> January 2024 for the purpose of inclusion in the Draft Prospectus/ Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") on SME Platform of National Stock Exchange of India Limited ("NSE EMERGE").

These restated Summary Statement have been 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 ("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 Financial Information for the purpose of inclusion in the Draft Prospectus/ Prospectus to be filed with the NSE Emerge platform of the National Stock Exchange of India Limited, Registrar of Companies, Gujarat in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure 4 to the Restated Financial Information. The responsibilities of the Board of Directors of the Company includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
  3. We have examined such Restated 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 February 03, 2023 in connection with the proposed IPO of equity shares of Polysil Irrigation Systems Limited (the "Issuer Company") on NSE Emerge platform of National Stock Exchange of India Limited ("NSE EMERGE");



- 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 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 IPO.
4. These Restated Financial Information have been compiled by the management from:
- a. Audited Financial Statements of the Company for the period from 01-04-2023 to 15-08-2023 prepared in accordance with Accounting Standards specified under section 133 of the Act and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on 24<sup>th</sup> January 2023.
  - b. Audited Financial Statements of the Company for the years ended on March 31, 2023, March 31, 2022, and March 31, 2021, prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 29<sup>nd</sup> January 2024.
5. We have Audited the financial statements of the company for the period from 01-04-2023 to 15-08-2023, and prepared in accordance with the accounting standards as prescribed under Section 133 of the Act for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by ICDR Regulations in relation to the proposed IPO, Which have been approved by the Board of Directors. We have issued our report dated 24<sup>th</sup> January 2024 on this financial information to the Board of Directors who have approved these in their meeting held on 24<sup>th</sup> January 2024.
6. For the purpose of our examination, we have relied on:
- a. Auditor’s Report issued by us dated 24<sup>th</sup> January 2024 and 29th August 2023 on the financial statement of the Company for the period from 01-04-2023 to 15-08-2023, and 01-04-2022 to 31-03-2023 respectively.
  - b. Auditor’s Report issued by M/s.CNK & Associates LLP, Chartered Accountants dated 23rd September 2022 for the financial year ended March 31, 2022 and M/s.CNK & Associates LLP, Chartered Accountants dated 26th August 2021 for the financial year ended March 31, 2021 respectively as referred in Paragraph 4 above.
- The Audit for the previous financial years were conducted by the Company’s previous auditors by M/s.CNK & Associates LLP, Chartered Accountants dated 23rd September 2022 for the financial year ended March 31, 2022 and M/s CNK & Associates LLP, Chartered Accountants dated 26th August 2021 for the financial year ended March 31, 2021 (“the Previous Auditor). We have performed adequate procedures to restate the Financial Information for the said years. The Examination Report included for the said years is based solely on the report submitted by the Previous Auditor.
7. There were no qualifications in the Audit Reports issued by us and by previous auditor as at and for the period from 01- 04-2023 to 15-08-2023, and as at and for the years ended March 31, 2023, March 31, 2022, March 31, 2021 and which would require adjustments in this Restated Financial Information of the Company.
8. We draw attention to the following matters:
- i. Note 11.1 to restated financial information regarding the professional tax payable, professional tax has been deducted by the company from employees for each period beginning from Nov-19, the same remains unpaid as on date of restated financial statement.

Our opinion is not modified in respect of this matter.



9. Based on our examination and according to the information and explanations given to us, we report that:
- The Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
  - The Restated Summary Statements do not require any adjustments for the matter(s) giving rise to modifications mentioned in paragraph 7 above.
  - The Restated Standalone Summary Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
  - The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate, if any and there are no qualifications which require adjustments;
  - Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
  - The details of Prior period Adjustments are given in Annexure 7 of the Restated Financial Statements.
  - From Financial Years 2020-21 to interim period up to August 15, 2023, the period covered in the restatement, the Company has not declared and paid any dividend.

<b>Annexure No.</b>	<b>Particulars</b>
1	Statement of Assets & Liabilities as Restated
2	Statement of Profit & Loss as Restated
3	Statement of Cash Flow as Restated
4	Significant Accounting Policy and Notes to the Restated Summary Statements
5	Adjustments made in Restated Financial Statements / Regrouping Notes
6	Statement of Share Capital as restated
7	Statement of Reserves & Surpluses as restated
8	Statement of Long-Term Borrowings as restated
9	Statement of Deferred Tax Liabilities (Net) as restated
10	Statement of Long-Term Provisions as restated
11	Statement of Short-Term Borrowings as restated
12	Statement of Trade Payable as restated
13	Statement of Other Current Liabilities as restated
14	Statement of Short-Term Provisions as restated
15	Statement of Property, Plant and Equipment & Depreciations as restated
16	Statement of Intangible assets as Restated
17	Statement of Capital Work in Progress as Restated
18	Statement of Deferred Tax Asset (Net) as restated
19	Statement of Long Term Loans and advances as restated
20	Statement of Other Non-Current Assets as restated
21	Statement of Inventories as restated
22	Statement of Trade Receivable as restated
23	Statement of Cash & Bank Balance as restated
24	Statement of Other Current Assets as restated
25	Statement of Revenue from operations as restated
26	Statement of Other Income as restated
27	Statement of Cost of Materials Consumed as restated
28	Statement of Changes in Inventories of Finished Goods as restated
29	Statement of Employees Benefit Expenses as restated





10.	30	Statement of Finance Cost as restated
	31	Statement of Depreciation & Amortization Expenses as restated
	32	Statement of Other Expenses as restated
	33	Statement of Summary of Accounting Ratios as restated
	34	Statement of Tax Shelter as Restated
	35	Statement of Related Parties Transaction as restated
	36	Statement of Capitalization Statement as restated

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the period from 01-04-2023 to 15-08-2023, and as at and for the years ended March 31, 2023, March 31, 2022, March 31, 2021 proposed to be included in the Prospectus.

11. We, M/s. Ratan Chandak & Co, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.
12. The Restated Financial Information do not reflect the effects of events that occurred subsequent to audited financial statements mentioned in paragraph 5 above.
13. 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.
14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
15. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Prospectus/Prospectus to be filed with the NSE Emerge platform of the National Stock Exchange of India Limited and Registrar of Companies, Gujarat 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, Ratan Chandak & Co**  
**Chartered Accountants Firm Reg.No: 108696W**  
**Peer Review CertificateNo: 015016**

**Sd/-**  
**CA Jagadish Laxman Sate**  
**(Partner)**  
**Membership No: 182935**

**Place: Navi Mumbai**  
**Date: 29<sup>th</sup> January 2024.**  
**UDIN: 24182935BKBIUG4676**

**POLYSIL IRRIGATION SYSTEMS LIMITED**

**CIN: U17100GJ1985PLC127398**

**Annexure I - Restated Statement of Assets and Liabilities**

(Amounts in INR Lakh, unless otherwise stated)

(Rs. In Lakhs)

Particulars	Annexure IV Note	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share Capital	3	989.71	989.71	45.50	45.50
(b) Reserves and Surplus	4	656.31	546.00	1,326.56	1,292.82
<b>Total</b>		<b>1,646.02</b>	<b>1,535.71</b>	<b>1,372.06</b>	<b>1,338.31</b>
<b>(2) Non-current liabilities</b>					
(a) Long-term Borrowings	5	133.80	169.98	209.95	132.28
(b) Defferred Tax Liabilities	6	98.75	77.92	(9.80)	(16.10)
(c) Other Long-term Liabilities	7	272.11	258.12	270.54	220.79
(d) Long-term Provision	8	18.90	22.72	46.16	31.02
<b>Total</b>		<b>523.56</b>	<b>528.74</b>	<b>516.85</b>	<b>368.00</b>
<b>(3) Current liabilities</b>					
(a) Short-term Borrowings	9	1,432.37	1,377.27	1,285.01	972.55
(b) Trade Payables	10				
- Due to Micro and Small Enterprises		299.31	195.53	266.91	283.74
- Due to Others		798.16	1,149.40	640.44	597.96
(c) Other Current Liabilities	11	808.80	586.77	409.07	560.15
(d) Short-term Provisions	12	163.27	158.04	126.45	57.76
<b>Total</b>		<b>3,501.91</b>	<b>3,467.01</b>	<b>2,727.88</b>	<b>2,472.16</b>
<b>Total Equity and Liabilities</b>		<b>5,671.49</b>	<b>5,531.46</b>	<b>4,616.80</b>	<b>4,178.47</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Property, Plant and Equipment and Intangible Assets					
(i) Property, Plant and Equipment	13.1	804.05	815.27	820.28	673.66
(ii) Intangible Assets	13.2	110.44	119.54	5.30	6.80
(c) Long-term loans & advances	14	-	-	-	50.00
(d) Other Non-current Assets	15	38.07	38.07	38.72	26.28
<b>Total</b>		<b>952.56</b>	<b>972.88</b>	<b>864.31</b>	<b>756.74</b>
<b>(2) Current assets</b>					
(a) Inventories	16	2,170.54	1,394.28	1,211.47	1,170.07
(b) Trade Receivables	17	2,158.69	2,810.87	2,169.99	1,813.17
(c) Cash and Cash Equivalents	18	64.12	88.81	93.30	107.21
(d) Short-term Loans and Advances	19	318.85	258.89	273.79	327.45
(e) Other Current Assets	20	6.73	5.73	3.94	3.83
<b>Total</b>		<b>4,718.93</b>	<b>4,558.58</b>	<b>3,752.49</b>	<b>3,421.72</b>
<b>Total Assets</b>		<b>5,671.49</b>	<b>5,531.46</b>	<b>4,616.80</b>	<b>4,178.47</b>

The above Restated Statement of Assets and Liabilities should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - IV and Statement of Adjustments to Audited Financial Statements appearing in Annexure - V.

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

**For RATAN CHANDAK & CO**

Chartered Accountants

Firm's Registration No. 108696W

Sd/-

**Jagadish Laxman Sate**

Partner

Membership No. 182935

UDIN: 24182935BKBIUG4676

Place: Navi Mumbai

Date: 29th January 2024

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

**POLYSIL IRRIGATION SYSTEMS LIMITED**

Sd/-

**Bharat Patel**

CEO & MD

07780251

Sd/-

**Aman Malpani**

CFO (KMP)

Sd/-

**Praful Radadia**

Director

09660425

Sd/-

**Neha Gupta**

Company Secretary

Place: Vadodara

Date: 29th January 2024

**POLYSIL IRRIGATION SYSTEMS LIMITED**

**CIN: U17100GJ1985PLC127398**

**Annexure II - Restated Statement of Profit and Loss**

**(Amounts in INR Lakh, unless otherwise stated)**

**(Rs. In Lakhs)**

Particulars	Annexure IV Note	For the year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from Operations	21	1,018.74	4,387.66	3,762.27	5,458.80
Other Income	22	1.00	4.83	4.94	12.78
<b>Total Income</b>		<b>1,019.74</b>	<b>4,392.49</b>	<b>3,767.21</b>	<b>5,471.58</b>
<b>Expenses</b>					
Cost Raw Material Consumed	23	740.95	2,038.09	1,402.96	1,885.78
Purchases of Stock in Trade	24	315.37	647.06	588.14	898.60
Change in Inventories of work in progress, finished goods and Stock in Trade	25	(772.04)	(149.62)	(147.88)	128.23
Employee Benefit Expenses	26	149.64	557.23	830.17	749.68
Finance Costs	27	56.55	148.22	148.95	113.64
Depreciation and Amortization Expenses	28	27.51	52.58	72.97	101.13
Other Expenses	29	328.28	832.90	803.60	1,490.68
<b>Total expenses</b>		<b>846.26</b>	<b>4,127.45</b>	<b>3,698.92</b>	<b>5,367.73</b>
<b>Restated profit/(Loss) before Exceptional and Extraordinary Item and Tax</b>		<b>173.48</b>	<b>265.04</b>	<b>68.29</b>	<b>103.85</b>
Exceptional Item					
<b>Restated profit/(Loss) before Extraordinary Item and Tax</b>		<b>173.48</b>	<b>265.04</b>	<b>68.29</b>	<b>103.85</b>
Extraordinary Item					
<b>Restated profit/(Loss) before Tax</b>		<b>173.48</b>	<b>265.04</b>	<b>68.29</b>	<b>103.85</b>
Tax Expenses	30				
- Current Tax		42.35	63.42	24.46	36.88
- Deferred Tax		20.82	87.72	6.30	2.04
- Short /(Excess) provision for income tax of earlier year		-	0.37	3.79	0.12
<b>Total Tax Expense</b>		<b>63.17</b>	<b>151.51</b>	<b>34.55</b>	<b>39.04</b>
<b>Restated profit/(Loss) after Tax</b>		<b>110.31</b>	<b>113.53</b>	<b>33.75</b>	<b>64.81</b>
Restated Earnings Per Share (Face Value per Share Rs.10 each)					
-Basic	31	1.11	1.15	0.34	0.66
-Diluted	31	1.11	1.15	0.34	0.66

The above Restated Statement of Profit and Loss should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - IV and Statement of Adjustments to Audited Financial Statements appearing in Annexure - V.

This is the Restated Statement of Profit and Loss referred to in our report of even date.

**For RATAN CHANDAK & CO**  
Chartered Accountants  
Firm's Registration No. 108696W

**For and on behalf of the Board of Directors of  
POLYSIL IRRIGATION SYSTEMS LIMITED**

Sd/-  
**Jagadish Laxman Sate**  
Partner  
Membership No. 182935  
UDIN: 24182935BKBIUG4676  
Place: Navi Mumbai  
Date: 29th January 2024

Sd/-  
**Bharat Patel**  
CEO & MD  
07780251

Sd/-  
**Praful Radadia**  
Director  
09660425

Sd/-  
**Aman Malpani**  
CFO (KMP)

Sd/-  
**Neha Gupta**  
Company Secretary

Place: Vadodara  
Date: 29th January 2024

**POLYSIL IRRIGATION SYSTEMS LIMITED**  
**CIN: U17100GJ1985PLC127398**  
**Annexure III - Restated Statement of Cash Flows**  
**(Amounts in INR Lakh, unless otherwise stated)**

(Rs. In Lakhs)

Particulars	Annexure IV Note	For the year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit after tax		131.14	201.25	40.05	66.85
Depreciation and Amortisation Expense		27.51	52.58	72.97	101.13
Provision for tax		42.35	63.79	28.25	37.00
Loss/(Gain) on Sale / Discard of Assets (Net)		-	-	-	-
Interest Expense (Interest Income)		(1.12)	(6.20)	(4.35)	(11.40)
Finance Costs		56.55	149.22	148.95	113.64
<b>Operating Profit before working capital changes</b>		<b>256.43</b>	<b>460.64</b>	<b>285.86</b>	<b>307.21</b>
Adjustment for:					
Inventories		(776.26)	(182.81)	(41.40)	41.60
Trade Receivables		652.18	(640.88)	(356.82)	(581.06)
Loans and Advances & Other Assets		(59.96)	22.51	91.22	219.50
Trade Payables		(247.46)	437.58	25.65	(14.04)
Other Liabilities		236.02	165.28	(101.33)	1.30
Other Provisions		1.42	(31.66)	74.18	8.74
Cash generated from Operations		62.36	230.66	(22.65)	(16.75)
Tax paid(Net)		(42.35)	(30.93)	(18.59)	(25.54)
<b>Net Cash from Operating Activities</b>		<b>20.02</b>	<b>199.73</b>	<b>(41.24)</b>	<b>(42.29)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Property, Plant and Equipment		(7.19)	(40.28)	(217.91)	(56.34)
Sale of Property, Plant and Equipment		-	-	-	-
Purchase of Intangible Assets		-	(121.52)	(0.18)	(4.20)
Proceed for Capital Work-in-progress		-	-	-	-
Bank balances not considered as cash and cash equivalents		23.17	(3.64)	(14.52)	(42.61)
Interest received		0.12	4.41	4.24	11.11
<b>Net Cash (Used in) Investing Activities</b>		<b>16.09</b>	<b>(161.04)</b>	<b>(228.37)</b>	<b>(92.04)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from Issue of Share Capital		-	50.12	-	15.84
Proceeds from Long Term Borrowings		-	-	287.63	236.79
Repayment of Long Term Borrowings		(36.18)	(39.97)	(236.79)	-
Proceeds from Short Term Borrowings		55.10	92.26	339.29	-
Repayment of Short Term Borrowings		-	-	-	10.22
Interest and Other Borrowing cost		(56.55)	(149.22)	(148.95)	(113.64)
<b>Net Cash (Used in) / Generated from Financing Activities</b>		<b>(37.63)</b>	<b>(46.81)</b>	<b>241.18</b>	<b>149.22</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>		<b>(1.52)</b>	<b>(8.12)</b>	<b>(28.43)</b>	<b>14.89</b>
Opening Balance of Cash and Cash Equivalents		6.66	14.78	43.21	28.32
<b>Closing Balance of Cash and Cash Equivalents</b>	18	<b>5.14</b>	<b>6.66</b>	<b>14.78</b>	<b>43.21</b>

The above Restated Statement of Cash Flows should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - IV and Statement of Adjustments to Audited Financial Statements appearing in Annexure - V.

This is the Restated Statement of Cash Flows referred to in our report of even date.

**For RATAN CHANDAK & CO**  
Chartered Accountants  
Firm's Registration No. 108696W

**For and on behalf of the Board of Directors of**  
**POLYSIL IRRIGATION SYSTEMS LIMITED**

Sd/-  
**Jagadish Laxman Sate**  
Partner  
Membership No. 182935  
UDIN: 24182935BKBIUG4676  
Place: Navi Mumbai  
Date: 29th January 2024

Sd/-  
**Bharat Patel**  
CEO & MD  
07780251

Sd/-  
**Praful Radadia**  
Director  
09660425

Sd/-  
**Aman Malpani**  
CFO (KMP)

Sd/-  
**Neha Gupta**  
Company Secretary

Place: Vadodara  
Date: 29th January 2024

**POLYSIL IRRIGATION SYSTEMS LIMITED**  
**CIN: U17100GJ1985PLC127398**  
**Annexure IV - Notes to the Restated Financial Information**

**1. Corporate information**

This restated financial information of Polysil Irrigation Systems Limited (hereinafter referred to as the "Company"), for the period ended August 15, 2023, March 31, 2023, March 31, 2022 and March 31, 2021.

Polysil Irrigation Systems Limited is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 ("the Act"). The registered office of the Company is located at Survey No- 340/1, Beside Hystuff Steel, At/Post - Raniya, Taluka Savli, District - Vadodara Raniya, Taluka - Savli, Vadodara, Gujarat - 391780. The principal place of business of the Company is in India.

The Company is in the business of manufacturing and selling of HDPE/LLDPE/LD Pipes and Micro Irrigation Systems.

This Restated Financial Information were authorised for issue in accordance with a resolution of the Board of Directors on July 24, 2023 and resolution of the Extra-Ordinary General Meeting of Members on August 17, 2023.

**2. Significant accounting policies**

**2.1. Basis of preparation**

The restated financial information of the Company of the Restated Statement of Assets and Liabilities as at August 15, 2023, March 31 2023, March 31, 2022 and March 31, 2021, the Restated Statement of Profit and Loss, Restated Statement of Cash Flows for the period ended August 15, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, Notes to the Restated Financial Information and Statement of Adjustments to Audited Standalone Financial Statements (collectively, the 'Restated Financial Information').

These Restated Financial Information have been prepared by the Management of the Company for the purpose of inclusion in the Draft Prospectus ("DP") to be filed by the Company with the Emerging platform of National Stock Exchange of India Limited ("NSE-EMERGE") in connection with proposed Initial Public Offering ("IPO") of its equity shares.

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 the Companies Act, 2013 ("the Act") as amended from time to time;
- (b) Paragraph A of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI"); 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").

The Restated Financial Information have been prepared from the audited financial statements of the Company as at and for the period ended August 15, 2023, March 31, 2023, March 31, 2022 and March 31 2021 which are prepared in accordance with Accounting Standards (AS) specified under the Section 133 of the Companies Act, 2013 read together with the rule 7 of the companies (Accounts) Rules 2014 and Companies (Accounting Standard) amendment Rules 2016, which have been approved by the Board of Directors of the Company at their meetings on which an unmodified audit opinion was issued.

The Restated Financial Information has been prepared on a historical cost basis.

The accounting policies have been consistently applied by the Company in preparation of the Restated Financial Information. This Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of auditor's reports on the audited financial statements mentioned above.

**The Restated Financial Information:**

- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors, if any, and regrouping/reclassifications retrospectively in the financial period ended August 15, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the period ended August 15, 2023.
- b) do not require any adjustment for qualification as there are no qualifications in the underlying audit reports.

All the amounts included in the Restated Financial Information are presented in Indian Rupees ('Rupees' or 'Rs.' Or 'INR') and are rounded to the nearest Lakhs, except per share data and unless stated otherwise

**Impact of COVID-19**

COVID-19 continues to spread across globe and India. This has impact on all local and global economic activities. Government of India has taken series of measures to contain spread of virus and limit economic impact on corporates and individuals.

The Company has considered the possible effects that may result from COVID-19, on the carrying amount of the receivables, investments, goodwill etc. The Company based on current estimates expects the carrying amount of the above assets will be recovered.

Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the Restated Financial Information. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to the future economic conditions.

**2.2. Summary of significant accounting policies**

**(a) Current versus non-current classification**

The Company presents assets and liabilities in the restated statement of assets and liabilities based on current / non-current classification.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities, are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**(b) Foreign currencies**

**Functional and presentation currency**

Items included in the Restated Financial Information of the Company are measured using the currency of the primary economic environment in which it operates i.e. the “functional currency”. The Company’s restated financial information is presented in INR.

### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company’s at their respective functional currency at exchange rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in restated statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in restated statement of profit and loss).

### **(c) Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer net of variable consideration e.g. discounts, volume rebates, any payments made to a customer (unless the payment is for a distinct good or service received from the customer) and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Company provides incentives to its users in various forms. Incentives which are consideration payable to the customer that are not in exchange for a distinct good or service are generally recognized as a reduction of revenue.

Where the Company acts as an agent for selling goods or services, only the commission income is included within revenue. The specific revenue recognition criteria described below must also be met before revenue is recognized. Typically, the Company has a right to payment before or at the point that services are delivered. Cash received before the services are delivered is recognised as a contract liability. The amount of consideration does not contain a significant financing component as payment terms are less than one year.

### **Sale of Goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are presented net of Excise duty collected on behalf of the Government, trade discounts and returns, as applicable.

### **Sale of services**

Revenue from services is recognized when the control in services is transferred as per the terms of the agreement with customer i.e. as and when services are rendered. Revenues are disclosed net of the Goods and Service tax charged on such services. In terms of the contract, excess of revenue over the billed at the year-end is carried in the restated statement of assets and liabilities as unbilled revenue under other financial assets where the amount is recoverable from the customer without any future performance obligation. Cash received before the services are delivered is recognised as a contract liability.

### **Other operating revenue**

Where the Company is contractually entitled to receive claims/compensation in case of non-discharge of obligations by customers, such claims/compensations are measured at amount receivable from such



customers and are recognised as other operating revenue when there is a reasonable certainty that the Company will be able to realize the said amounts.

### **Interest income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the restated statement of profit and loss account.

### **(d) Taxes**

#### **Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the India where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **Minimum alternate tax**

Credit of MAT is recognised as deferred tax asset only when it is probable that taxable profit will be available against which the credit can be utilised. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the restated statement of profit and loss account. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is no longer probable that the Company will pay normal income tax during the specified period.

#### **Taxes paid on acquisition of assets or on incurring expenses**

Assets are recognised net of the amount of GST paid, except when the tax incurred on a purchase of assets is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset.

Expenses are recognised net of the amount of GST paid, except when the tax incurred on a purchase of services is not recoverable from the taxation authority, in which case, the tax paid is expensed off in restated statement of profit and loss.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current/ non- current assets or other current liabilities in the restated statement of assets and liabilities.

### **(e) Property, plant and equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment, if any. Property, plant and equipment is depreciated on a straight-line value basis to its residual value over its estimated useful life.

Cost directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All repair and maintenance are charged to restated statement of profit and loss during the reporting period in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under the non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work in progress'.

The 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 restated statement of profit and loss on the date of disposal or retirement.

Depreciation is provided using the straight-line value method and charged to restated statement of profit and loss as per the useful life prescribed under Schedule II of the Companies Act, 2013, given below:

<b>Assets</b>	<b>Useful life (Years)</b>
Factory Building	30
Staff Quarter	60
Factory Road	30
Plant and Machinery	15
Die Heads	15
Factory Equipment	15
Laboratory Equipment	10
Electrical Installation	10
Office Equipment	5
Air Conditioners	5
Furniture and Fixtures	10
Computer	3 to 6
Vehicle	8 to 10

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **(f) Intangible assets**

Separately acquired intangible assets, such as software are measured initially at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the restated statement of profit and loss in the year in which the expenditure is incurred. Intangible assets with finite useful lives are carried at cost and are amortised on a written down value basis over their estimated useful lives and charged to restated statement of profit and loss.

Software and licenses acquired are amortized at the 5 years on straight line value method.

The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the restated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the restated statement of profit and loss when the asset is derecognized.

#### **(g) Capital Work-in-progress**

Cost and direct expense incurred for construction of assets or assets to be acquired and which are not ready for use are disclosed under "Capital Work-in-progress"

#### **(h) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in the restated statement of profit and loss in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **(i) Impairment**

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

#### **(j) Provisions and contingencies**

##### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the restated statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## **Contingencies**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does have recognized a contingent commitment in the restated financial information.

### **(k) Retirement and other employee benefits**

For defined benefit plans, the liability or asset recognised in the restated statement of assets and liabilities on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the restated statement of profit and loss.

The Company's contributions to defined contribution plans (provident fund) are recognized in restated statement of profit and loss when the employee renders related service. The Company has no further obligations under these plans beyond its periodic contributions.

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as salary and wages payable under other current liabilities in the restated statement of assets and liabilities.

### **(l) Earnings/ (loss) per share (EPS)**

Basic EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

### **(m) Segment reporting**

The Company is engaged in one segment only i.e. High Density Polyethylene Pipe (HDPE)/Linear Low Density Polyethylene Pipe (LLDPE)/Low Density Polyethylene Pipe (LDPE) and Micro irrigation Systems and hence there are no separate reportable segment.

### **(n) Use of estimates**

The Company is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent liabilities at the date of the Restated Financial Information and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Company bases its estimates on historical experience.

### **(o) Exceptional Items**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the Restated Financial Information.

### **(p) Inventories**

- i) Raw materials, packing materials and stores & spares are valued at lower of cost and net realizable value. Cost of raw materials, packing materials are determined on First in First out (FIFO) basis and cost of stores & spares are determined on weighted average cost method.
- ii) Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on FIFO basis.
- iii) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(q) Government grants and subsidies**

- i) Grants and subsidies from the government are recognized when there is reasonable assurance that (a) the company will comply with the conditions attached to them, and (b) the grant/subsidy will be received.
- ii) Where the grant relates to an asset, it is shown as a reduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the statement of profit and loss over the useful life of the asset by way of reduced depreciation charge.
- iii) Where the grant relates to reimbursement of interest on term loan, it is recognised as a reduction from the finance cost of the term loan concerned.

**For and on behalf of the Board of Directors of  
POLYSIL IRRIGATION SYSTEMS LIMITED**

**For Ratan Chandak & Co.**

Chartered Accountants  
Firm's Registration No. 108696W

Sd/-  
**Jagadish Laxman Sate**  
Partner  
Membership No. 182935  
UDIN: 24182935BKBIUG4676  
Place: Navi Mumbai  
Date: 29<sup>th</sup> January 2024.

Sd/-  
**Bharat Patel**  
CEO & MD  
07780251

Sd/-  
**Praful Radadia**  
Director  
09660425

Sd/-  
**Aman Malpani**  
CFO (KMP)

Sd/-  
**Neha Gupta**  
Company Secretary

Place: Vadodara  
Date: 29<sup>th</sup> January 2024.

**POLYSIL IRRIGATION SYSTEMS LIMITED**  
**CIN: U17100GJ1985PLC127398**  
**Annexure IV - Notes to the Restated Financial Information**  
**(Amounts in INR Lakh, unless otherwise stated)**

**3 Share Capital**

(Rs. In Lakhs)

Particulars	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>Authorised Share Capital</b>				
Equity Shares, Rs. 10 par value, 14500000 Equity Shares	1,450.00	1,450.00	70.00	70.00
<b>Issued, Subscribed and Fully Paid up Share Capital</b>				
Equity Shares, Rs. 10 (previous year Rs. 100) par value, 98,97,090 (Previous Year -45499) Equity Shares paid up	989.71	989.71	45.50	45.50
<b>Total</b>	<b>989.71</b>	<b>989.71</b>	<b>45.50</b>	<b>45.50</b>

**Note:**

Pursuant to a special resolution at the meeting of the members of the company held on 13 December, 2022 sub-division of each of the equity shares of the company having a face value of Rupees 100/- each in the authorised equity capital of the company into 10 equity shares.

Pursuant to a special resolution at the meeting of the members of the company held on 13 December, 2022 has been increased the authorised share capital of the company from existing INR 70,00,000/- to revised INR 14,50,00,000/- (addition INR 13,80,00,000/-).

The Board of Directors pursuant to a resolution dated January 16, 2023 and the shareholders special resolution dated January 23, 2023 have approved the issuance of twenty bonus equity shares of face value Rs. 10 each for every one existing fully paid up equity share of face value Rs. 10 each and accordingly 9425800 bonus equity shares were issued and allotted in accordance with the Section 63 of the Companies Act, 2013

**(i) Reconciliation of number of shares**

Particulars	As at 15 Aug 2023		As at 31 March 2023	
	No. of shares	(Rs. In Lakhs)	No. of shares	(Rs. In Lakhs)
Opening Balance	98,97,090	989.71	45,499	45.50
Issued during the year	-	-	94,27,430	944.21
Sub-division having a face value of Rs. 100 into 10 equity shares	-	-	4,24,161	-
Deletion during the year	-	-	-	-
<b>Closing balance</b>	<b>98,97,090</b>	<b>989.71</b>	<b>98,97,090</b>	<b>989.71</b>

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	(Rs. In Lakhs)	No. of shares	(Rs. In Lakhs)
Opening Balance	45,499	45.50	45,000	45.00
Issued during the year	-	-	499	0.50
Deletion during the year	-	-	-	-
<b>Closing balance</b>	<b>45,499</b>	<b>45.50</b>	<b>45,499</b>	<b>45.50</b>

**(ii) Rights, preferences and restrictions attached to shares**

Equity Shares: The Company has one class of equity shares having a par value of Rs. 10 (previous year Rs. 100) per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company**

Equity Shares Name of Shareholder	As at 15 Aug 2023		As at 31 March 2023	
	No. of shares	In %	No. of shares	In %
Bharatkumar Patel	28,66,500	28.96%	28,66,500	28.96%
Payal Jain	9,55,500	9.65%	9,55,500	9.65%
Satishkumar Dayabhai Maniya	12,73,650	12.87%	12,73,650	12.87%
Sunilkumar Diplal Shah	12,73,860	12.87%	12,73,860	12.87%
Rameshbhai Virjibhai Kakadiya	12,74,070	12.87%	12,74,070	12.87%

Equity Shares Name of Shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares	In %	No. of shares	In %
Bharatkumar Patel	9,100	20.00%	9,100	20.00%
Dilipkumar Dholaria	5,612	12.33%	10,237	22.50%
Payal Jain	3,791	8.33%	-	0.00%
Dhirajbhai Ukabhai Munjapara	4,550	10.00%	5,005	11.00%
Jasmin H Barvaliya	4,549	10.00%	7,962	17.50%
Bhanubhai Bhikhabhai Kunjadiya	3,640	8.00%	3,640	8.00%
Nareshkumar Ranchhodhbhai Virja	2,275	5.00%	2,275	5.00%
Prafulbhai D Radadia	2,275	5.00%	2,275	5.00%
Varsha Apurvakumar Vasiyani	2,275	5.00%	2,275	5.00%
Vinodbhai Samjubhai Dobariya	2,275	5.00%	2,275	5.00%

## (iv) Shares held by Promoters at the end of the period 15 Aug 2023

Name of Promotor	Class of Shares	No. of Shares	% of total shares	% Change during the
Bharatkumar Patel	Equity	28,66,500	28.96%	0.00%
Prafulbhai Damjibhai Radadia	Equity	4,77,750	4.83%	0.00%

## Shares held by Promoters at the end of the year 31 March 2023

Name of Promotor	Class of Shares	No. of Shares	% of total shares	% Change during the year
Bharatkumar Patel	Equity	28,66,500	28.96%	8.96%
Prafulbhai Damjibhai Radadia	Equity	4,77,750	4.83%	-0.17%

## Shares held by Promoters at the end of the year 31 March 2022

Name of Promotor	Class of Shares	No. of Shares	% of total shares	% Change during the year
Bharatkumar Patel	Equity	9,100	20.00%	0.00%
Prafulbhai Damjibhai Radadia	Equity	2,275	5.00%	0.00%

## Shares held by Promoters at the end of the year 31 March 2021

Name of Promotor	Class of Shares	No. of Shares	% of total shares	% Change during the year
Bharatkumar Patel	Equity	9,100	20.00%	1.90%
Prafulbhai Damjibhai Radadia	Equity	2,275	5.00%	5.00%

## (v) Equity shares movement during 5 years preceding 15 Aug 2023

## Note:

The Board of Directors pursuant to a resolution dated January 16, 2023 and the shareholders special resolution dated January 23, 2023 have identified its existing share holders as Promoter & Promoter Group and Public category. We have relied on the said identification for disclosure of promoter information.

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Equity shares issued as bonus	94,25,800	-	-	-	-
Equity shares extinguished on buy-back	-	-	-	-	-

## Note:

The Board of Directors pursuant to a resolution dated January 16, 2023 and the shareholders special resolution dated January 23, 2023 have approved the issuance of twenty bonus equity shares of face value Rs. 10 each for every one existing fully paid up equity share of face value Rs. 10 each and accordingly 9425800 bonus equity shares were issued and allotted in accordance with the Section 63 of the Companies Act, 2013.

## (vi) Sub-division and increased of authorised share capital

Pursuant to a special resolution at the meeting of the members of the company held on 13 December, 2022 sub-division of each of the equity shares of the company having a face value of Rupees 100/- each in the authorised equity capital of the company into 10 equity shares.

Pursuant to a special resolution at the meeting of the members of the company held on 13 December, 2022 has been increased the authorised share capital of the company from existing INR 70,00,000/- to revised INR 14,50,00,000/- (addition INR 13,80,00,000/-).

## 4 Reserves and Surplus

(Rs. In Lakhs)

Particulars	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>Statement of Profit and loss</b>				
Balance at the beginning of the year	546.00	1,311.22	1,277.48	1,212.66
Add: Profit during the year	110.31	113.53	33.75	64.81
Less: Issue of Bonus Shares during the year		(878.75)	-	-
	656.31	546.00	1,311.22	1,277.48
<b>Security premium</b>				
Balance at the beginning of the year	-	15.34	15.34	-
Add : Addition during the year	-	48.49	-	15.34
Less: Issue of Bonus Shares	-	(63.83)	-	-
Closing Balance	-	-	15.34	15.34
<b>Balance at the end of the year</b>	<b>656.31</b>	<b>546.00</b>	<b>1,326.56</b>	<b>1,292.82</b>



5 Long term borrowings

(Rs. In Lakhs)

Particulars	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Secured Term loans from banks	92.80	127.07	209.95	132.28
Secured Term loans from other parties	6.77	8.43	-	-
Unsecured Term loans from other parties	34.23	34.48	-	-
<b>Total</b>	<b>133.80</b>	<b>169.98</b>	<b>209.95</b>	<b>132.28</b>

5.1 Particulars of Borrowings

Name of Lender/Type of Loan	Nature of Security	Rate of Interest	Monthly	No of Installment
State bank of India - GECL	Raw material, stock in process, finished goods and receivables/ book debts and other current assets	7.80%	4,65,083	36
State bank of India - CCECL	Raw material, stock in process, finished goods and receivables/ book debts and other current assets	7.00%	4,83,333	18
HDFC Bank - GECL	Raw material, stock in process, finished goods and receivables/ book debts and other current assets	9.25%	5,19,474	37
HDFC-Plant and machinery	Plant & Machinery	10.00%	3,00,570	64
Cholamandalam Investment and Finance Company Ltd	Voltas Forklift Truck	11.01%	39292	36
Bajaj Finserv	Unsecured loan	18.00%	51720	60

Notes:

5.2 Details of Terms of Repayment for the other Long-Term Borrowings and security provided in respect of the secured other Long-Term Borrowings:

a) State Bank of India - GECL

The loan is primarily secured by way of hypothecation of present and future raw material, stock in process, finished goods and receivables/ book debts and other current assets. Interest Rate is at 0.75% above EBLR which is presently 7.05% p.a. (w.e.f. 10.04.2020) rising or falling therewith on daily products with monthly rests present effective rate is 7.80% p.a. subject to reset at quarterly intervals. The loan is repayable in 36 equal monthly Installments of Rs. 4,65,083/- (Loan amount of Rs. 167.43 lakhs) after a moratorium of 12 months (total tenor -36 months)

b) State Bank of India - CCECL

The loan is primarily secured by way of hypothecation of present and future raw material, stock in process, finished goods and receivables/ book debts and other current assets. Interest Rate is equivalent to 1 year MCLR which is presently 7.00% p.a. (w.e.f. 10.06.2020) rising or falling therewith on daily products with monthly rests present effective rate is 7.00% p.a. subject to change after one year. The loan is repayable in 18 equal monthly Installments of Rs. 4,83,333/- (Loan amount of Rs. 87 Lakhs) after a moratorium of 6 months date was began from Dec 2020 and end on May 2022 (total tenor - 24 months).

c) HDFC Bank - GECL

The loan is primarily secured by way of hypothecation of present and future raw material, stock in process, finished goods and receivables/ book debts and other current assets. Interest Rate is 9.25% 3M T-bill to be linked at time of limit set/ loan booking will be applicable p.a. subject to reset at quarterly intervals. The loan is repayable in 37 equal monthly Installments of Rs. 5,19,474/-.

d) HDFC Bank-Plant and machinery

The loan is primarily secured by way of hypothecation of plant and machinery purchased from loan. Interest Rate is 10% 3M T-bill to be linked at time of limit set/ loan booking will be applicable p.a. subject to change after one year. The loan is repayable in 64 equal monthly Installments of Rs. 3,00,570/-.

e) Cholamandalam Investment and Finance Company Ltd- Voltas Forklift Truck

The loan is primarily secured by way of hypothecation of Voltas Forklift Truck purchased from loan. Interest Rate is 11.01% to be linked at time of limit set/ loan booking will be applicable p.a. The loan is repayable in 36 equal monthly Installments of Rs. 39,292/-.

f) Bajaj Finserv-Business loan

The unsecured business loan having interest rate is 18% p.a. and loan is repayable in 60 equal monthly installments.

The above loans (a to d) are further secured by way of equitable mortgage of factory Land & Building situated at R.S. no. 340/1, Near Sayaji Paper Pvt. Ltd. Sakarda Raniya Road, Mouje Village Raniya, Savli, Vadodara. The above loans are further secured by way of equitable mortgage immovable property situated at residential plot No.21 situated at block no. 478, Krushna nagar, B/H Bharat Petrol Pump, Nr. Kamrej Char Rast, NH 8, Kamrej, Surat owned by Tulsibhai Jadhavbhai Patel, Nitinbhai Tulsibhai Patel, Rajendrabhai Tulsibhai Patel and Bharatbhai Tulsibhai Patel are one of the director and relative of the director of the company. The above loans are also secured by way of personal guarantee of all the directors and Tulsibhai Jadhavbhai Patel, Nitinbhai Tulsibhai Patel, Rajendrabhai Tulsibhai Patel the relatives of the directors of the company.

## 6 Deferred tax liabilities net

(Rs. In Lakhs)

Particulars	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Deferred Tax (Asset)/Liability-Net	98.75	77.92	(9.80)	(16.10)
<b>Total</b>	<b>98.75</b>	<b>77.92</b>	<b>(9.80)</b>	<b>(16.10)</b>

## 6.1 Significant Components of Deferred Tax

(Rs. In Lakhs)

Particulars	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>Deferred Tax Asset</b>				
Expenses provided but allowable in Income tax on Payment basis				
Provision for doubtful debts				
Difference between book depreciation and tax depreciation	-	-	8.73	16.08
Disallowances under section 43B	-	15.37	1.07	0.01
Carried forward tax losses				-
Unabsorbed Depreciation				-
<b>Gross Deferred Tax Asset (A)</b>	<b>-</b>	<b>15.37</b>	<b>9.80</b>	<b>16.10</b>
<b>Deferred Tax Liability</b>				
Others 1				
Others 2				
Others 3				
Difference between book depreciation and tax depreciation	98.75	93.30	-	-
<b>Gross Deferred Tax Liability (B)</b>	<b>98.75</b>	<b>93.30</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax (Asset)/Liability (A)-(B)</b>	<b>98.75</b>	<b>77.92</b>	<b>(9.80)</b>	<b>(16.10)</b>

**Note:** For Calculation of Deferred Tax for the period ended 15th Aug 2023, Depreciation as per IT Act is taken for 6 months & as per Companies Act is taken for 4 months.

## 6.2 Reasons for deferred tax asset to liability

**Assets are carried at residual value** - as per the Companies Act, some assets are carried at residual value but as per Income tax Act, assets are carried at WDV.

**Addition of new assets**- few new assets were added from April 1 2023 to Aug 15 2023, having higher useful lives as per companies Act in comparison to Income tax Act

## 7 Other long term liabilities

(Rs. In Lakhs)

Particulars	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Others				
-Retention Money Deposit	28.18	14.19	-	-
-Security Deposit from Customers'	243.93	243.93	270.54	220.79
<b>Total</b>	<b>272.11</b>	<b>258.12</b>	<b>270.54</b>	<b>220.79</b>

## 8 Long term provisions

(Rs. In Lakhs)

Particulars	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits				
- Provision for Gratuity (Note-35)	15.89	18.44	35.91	21.80
- Provision for Compensated Absences (Note-35)	3.01	4.28	10.25	9.22
<b>Total</b>	<b>18.90</b>	<b>22.72</b>	<b>46.16</b>	<b>31.02</b>

**Note:**

**8.1** Provision for Gratuity: In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

**8.2** Provision for Compensated Absences: In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

## 9 Short term borrowings

(Rs. In Lakhs)

Particulars	As at	As at	As at	As at
	15 Aug 2023	31 March 2023	31 March 2022	31 March 2021
<b>Secured</b>				
Loan repayable on demand from Bank	1,194.87	1,153.13	1,190.33	868.04
	1,194.87	1,153.13	1,190.33	868.04
<b>Current maturity of long term borrowings</b>				
Term loans from Bank				
- State bank of India- GECL	-	-	-	46.51
- State bank of India-CCECL	-	-	-	58.00
-HDFC Term Loan-GECL	58.17	56.24	52.12	-
-HDFC Term Loan-Machine	26.64	27.35	25.56	-
Term loans from Other Parties				
-Bajaj Finserv-Business Loan	-	0.52	-	-
-Cholamandalam Investment and Finance Company Ltd-Voltas Forklift Truck	3.74	3.57	-	-
	88.54	87.68	77.68	104.51
<b>Unsecured</b>				
Loans and advances from related parties				
- From directors	148.96	136.46	17.00	-
	148.96	136.46	17.00	-
<b>Total</b>	<b>1,432.37</b>	<b>1,377.27</b>	<b>1,285.01</b>	<b>972.55</b>

## Notes:

## 9.1 a) Loan repayable on demand from bank;

Cash credit is secured by way of hypothecation of stocks, book debts and all the unencumbered assets including plant and machineries, secured by way of mortgage of factory land & building situated at R S No. 340/1, Near Sayaji Paper Pvt. Ltd. sakarda raniya road, mouje village Raniya, Savli, Vadodara. Above facility is further secured by way of the personal guarantee of the director and relatives of director. Cash credit facility is taken at a interest rate of 8.9% 3M T bill to be linked at time of limit set/ loan booking will be applicable p.a. from HDFC and interest at 1.50% above Repo linked lending rate 8% p.a. present effective rate 9.5% p.a. from SBI

## b) Loans and advances from related parties (Directors)

Interest free loans from directors- Bharatkumar Patel

## c) Current maturities of long term borrowing

Refer Note No-5 (1) For details of securities, rate of interest and terms of repayments related to current maturities of long term borrowing

## 10 Trade payables

(Rs. In Lakhs)

Particulars	As at	As at	As at	As at
	15 Aug 2023	31 March 2023	31 March 2022	31 March 2021
Due to Micro and Small Enterprises	299.31	195.53	266.91	283.74
Due to Others	798.16	1,149.40	640.44	597.96
<b>Total</b>	<b>1,097.47</b>	<b>1,344.93</b>	<b>907.35</b>	<b>881.70</b>

## 10.1 Trade Payable ageing schedule as at 15 Aug 2023

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	263.62	32.03	0.86	2.80	299.31
Others	615.73	118.01	51.69	12.73	798.16
Disputed dues- MSME					
Disputed dues- Others					
Sub total	879.35	150.04	52.54	15.53	1,097.47
MSME - Undue					
Others - Undue					
<b>Total</b>	<b>879.35</b>	<b>150.04</b>	<b>52.54</b>	<b>15.53</b>	<b>1,097.47</b>

## 10.2 Trade Payable ageing schedule as at 31 March 2023

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	137.03	47.29	11.20	-	195.53
Others	1,056.08	75.88	17.45	-	1,149.40
Disputed dues- MSME					
Disputed dues- Others					
Sub total	1,193.11	123.17	28.65	-	1,344.93
MSME - Undue					
Others - Undue					
<b>Total</b>	<b>1,193.11</b>	<b>123.17</b>	<b>28.65</b>	<b>-</b>	<b>1,344.93</b>

10.3 Trade Payable ageing schedule as at 31 March 2022

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	253.87	4.80	8.24	-	266.91
Others	603.65	36.73	0.06	-	640.44
Disputed dues- MSME					
Disputed dues- Others					
Sub total	857.53	41.53	8.30	-	907.35
MSME - Undue					
Others - Undue					
<b>Total</b>	<b>857.53</b>	<b>41.53</b>	<b>8.30</b>	<b>-</b>	<b>907.35</b>

10.4 Trade Payable ageing schedule as at 31 March 2021

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	283.59	0.15	-	-	283.74
Others	579.91	17.38	0.67	-	597.96
Disputed dues- MSME					
Disputed dues- Others					
Sub total	863.50	17.53	0.67	-	881.70
MSME - Undue					
Others - Undue					
<b>Total</b>	<b>863.50</b>	<b>17.53</b>	<b>0.67</b>	<b>-</b>	<b>881.70</b>

11 Other current liabilities

(Rs. In Lakhs)

Particulars	As at	As at	As at	As at
	15 Aug 2023	31 March 2023	31 March 2022	31 March 2021
Advance from Customers	246.53	204.37	(31.25)	165.87
Inter Corporate Deposits	150.00	-	-	-
<b>Other paybles</b>				
- ESIC payable	0.00	0.19	0.34	0.47
- Provident Fund payable	2.26	2.57	4.13	3.82
- TDS payable	15.54	34.14	37.56	14.82
- TCS on Scrap Sales	0.01	0.03	-	0.20
- Professional Tax payable	11.28	10.68	8.02	4.85
- Salary and wages payable	227.27	218.96	245.09	91.68
- Imprest to Employees	155.90	115.83	145.18	278.45
<b>Total</b>	<b>808.80</b>	<b>586.77</b>	<b>409.07</b>	<b>560.15</b>

11.1 Professional tax Payable

The Company has deducted profession tax from payment to employees from the period beginning from Nov -19. The same remains unpaid as on the date of financial statement.

**Undisputed Dues**

The Company has not deposited certain statutory dues on account of disputes which have been reported in clause No. vii(b) of CARO, 2020. The details of which have been provided in note no. 54

11.2 TCS Payable

TCS is collected on sale of scrap generated from manufacturing activity for the period ended 15 Aug 2023, 31 March 2023, 31 March 2022 and 31 March 2021

12 Short term provisions

(Rs. In Lakhs)

Particulars	As at	As at	As at	As at
	15 Aug 2023	31 March 2023	31 March 2022	31 March 2021
<b>Provision for employee benefits</b>				
- Provision for Bonus	19.05	21.12	22.04	32.71
- Provision for Gratuity (Note-35)	6.02	9.05	11.83	5.54
- Provision for Compensated Absences (Note-35)	1.34	1.89	4.51	3.75
<b>Others</b>				
- Provision for Audit Fees	6.30	6.30	1.50	1.80
- Provision for Tax (Net of advance tax)	105.76	63.42	23.61	13.96
- Provision for Commission Expenses	22.20	22.20	35.26	-
- Provision for Expenses	2.60	34.06	27.69	-
<b>Total</b>	<b>163.27</b>	<b>158.04</b>	<b>126.45</b>	<b>57.76</b>

12.1 Provision for Gratuity

In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

12.2 Provision for Compensated Absences

In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

**POLYSIL IRRIGATION SYSTEMS LIMITED**  
**CIN: U17100GJ1985PLC127398**  
**Annexure IV - Notes to the Restated Financial Information**  
**(Amounts in INR Lakh, unless otherwise stated)**

**13.1 Property, Plant and Equipment**

(Rs. In Lakhs)

Particulars	Land	Factory Building	Road	Plant & Machinery	Electrical Installation	Office Equipment	Factory Equipment	Furniture & Fixtures	Computers	Laboratory Equipment	Air Conditioner &	Total
<b>Gross carrying amount</b>												
As at April 2020	283.82	143.43	-	1,015.12	34.33	1.59	14.42	28.35	12.26	12.84	3.52	1,549.66
Addition	-	28.68	16.18	9.34	-	-	-	0.38	1.75	-	-	56.34
Deduction	-	-	-	-	-	-	-	-	-	-	-	-
As at March 2021	283.82	172.11	16.18	1,024.46	34.33	1.59	14.42	28.73	14.01	12.84	3.52	1,606.00
As at April 2021	283.82	172.11	16.18	1,024.46	34.33	1.59	14.42	28.73	14.01	12.84	3.52	1,606.00
Addition	-	5.00	10.64	166.75	-	2.71	5.37	1.78	2.02	23.45	0.20	217.91
Deduction	-	-	-	-	-	-	-	-	-	-	-	-
As at March 2022	283.82	177.11	26.83	1,191.22	34.33	4.30	19.78	30.50	16.03	36.28	3.72	1,823.91
As at April 2022	283.82	177.11	26.83	1,191.22	34.33	4.30	19.78	30.50	16.03	36.28	3.72	1,823.91
Addition	-	-	6.43	20.97	-	1.11	-	6.77	3.08	-	1.92	40.28
Deduction	-	-	-	-	-	-	-	-	-	-	-	-
As at March 2023	283.82	177.11	33.26	1,212.18	34.33	5.41	19.78	37.27	19.11	36.28	5.64	1,864.20
As at April 2023	283.82	177.11	33.26	1,212.18	34.33	5.41	19.78	37.27	19.11	36.28	5.64	1,864.20
Addition	-	-	-	5.99	-	1.21	-	-	-	-	-	7.19
Deduction	-	-	-	-	-	-	-	-	-	-	-	-
As at Aug 2023	283.82	177.11	33.26	1,218.17	34.33	6.62	19.78	37.27	19.11	36.28	5.64	1,871.39
<b>Accumulated depreciation</b>												
As at April 2020	-	9.53	-	784.67	6.36	0.48	7.76	5.30	10.28	8.45	1.46	834.29
Addition	-	4.95	0.00	83.85	3.38	0.31	0.98	2.78	0.55	0.71	0.54	98.05
Deduction	-	-	-	-	-	-	-	-	-	-	-	-
As at March 2021	-	14.48	0.00	868.51	9.74	0.79	8.74	8.08	10.84	9.16	2.00	932.34
As at April 2021	-	14.48	0.00	868.51	9.74	0.79	8.74	8.08	10.84	9.16	2.00	932.34
Addition	-	5.67	0.71	54.35	3.38	0.47	1.22	2.90	0.92	1.11	0.55	71.29
Deduction	-	-	-	-	-	-	-	-	-	-	-	-
As at March 2022	-	20.15	0.71	922.87	13.12	1.26	9.96	10.98	11.75	10.27	2.55	1,003.63
As at April 2022	-	20.15	0.71	922.87	13.12	1.26	9.96	10.98	11.75	10.27	2.55	1,003.63
Addition	-	5.80	0.91	25.36	3.38	0.92	1.32	2.96	1.86	2.10	0.69	45.30
Deduction	-	-	-	-	-	-	-	-	-	-	-	-
As at March 2023	-	25.95	1.62	948.22	16.51	2.18	11.28	13.94	13.61	12.37	3.24	1,048.93
As at April 2023	-	25.95	1.62	948.22	16.51	2.18	11.28	13.94	13.61	12.37	3.24	1,048.93
Addition	-	2.18	0.40	10.08	1.27	0.34	0.49	1.34	1.00	0.79	0.52	18.41
Deduction	-	-	-	-	-	-	-	-	-	-	-	-
As at Aug 2023	-	28.13	2.02	958.30	17.78	2.53	11.77	15.28	14.61	13.16	3.76	1,067.33
<b>Net carrying amount</b>												
As at March 2021	283.82	157.63	16.18	155.95	24.59	0.80	5.68	20.64	3.17	3.67	1.52	673.66
As at March 2022	283.82	156.96	26.12	268.35	21.20	3.04	9.82	19.52	4.28	26.01	1.17	820.28
As at March 2023	283.82	151.16	31.64	263.96	17.82	3.23	8.50	23.33	5.50	23.91	2.40	815.27
As at Aug 2023	283.82	148.98	31.24	259.87	16.55	4.10	8.01	21.99	4.50	23.12	1.88	804.05

**POLYSIL IRRIGATION SYSTEMS LIMITED**

**CIN: U17100GJ1985PLC127398**

**Annexure IV - Notes to the Restated Financial Information**

(Amounts in INR Lakh, unless otherwise stated)

**13.2 Intangible Assets**

(Rs. In Lakhs)

Particulars	Computers Software	Licenses	Total
<b>Gross carrying amount</b>			
As at April 2020	11.66	-	11.66
Addition	4.20	-	4.20
Deduction	-	-	-
As at March 2021	15.86	-	15.86
As at April 2021	15.86	-	15.86
Addition	0.18	-	0.18
Deduction	-	-	-
As at March 2022	16.04	-	16.04
As at April 2022	16.04	-	16.04
Addition	1.55	119.97	121.52
Deduction	-	-	-
As at March 2023	17.59	119.97	137.56
As at April 2023	17.59	119.97	137.56
Addition	-	-	-
Deduction	-	-	-
As at Aug 2023	17.59	119.97	137.56
<b>Accumulated amortisation and impairment</b>			
As at April 2020	5.98	-	5.98
Addition	3.08	-	3.08
Deduction	-	-	-
As at March 2021	9.06	-	9.06
As at April 2021	9.06	-	9.06
Addition	1.68	-	1.68
Deduction	-	-	-
As at March 2022	10.74	-	10.74
As at April 2022	10.74	-	10.74
Addition	1.30	5.99	7.28
Deduction	-	-	-
As at March 2023	12.03	5.99	18.02
As at April 2023	12.03	5.99	18.02
Addition	0.55	8.56	9.11
Deduction	-	-	-
As at Aug 2023	12.58	14.54	27.12
<b>Net carrying amount</b>			
As at March 2021	6.80	-	6.80
As at March 2022	5.30	-	5.30
As at March 2023	5.56	113.99	119.54
As at Aug 2023	5.01	105.43	110.44

## 14 Long term loans &amp; advances

(Rs. In Lakhs)

Particulars	As at	As at	As at	As at
	15 Aug 2023	31 March 2023	31 March 2022	31 March 2021
Capital advances	-	-	-	50.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50.00</b>

## 14.1 Capital Advances

Advance payment of Rs. 50 Lakhs to tufropes private limited towards acquisition of capital assets (19/03/2021 Rs. 25 lakhs and 30/03/2021 Rs. 25 lakhs) and total capital commitment for purchase of capital assets of Rs. 185 lakhs.

## 15 Other non current assets

(Rs. In Lakhs)

Particulars	As at	As at	As at	As at
	15 Aug 2023	31 March 2023	31 March 2022	31 March 2021
Security deposits				
- Deposit with Government authorities	16.16	16.16	12.93	0.45
- Rent deposit	0.22	0.22	4.11	4.15
- Electricity deposit	20.63	20.63	20.63	20.63
- Earnest money deposit	1.05	1.05	1.05	1.05
<b>Total</b>	<b>38.07</b>	<b>38.07</b>	<b>38.72</b>	<b>26.28</b>

## 16 Inventories

(Rs. In Lakhs)

Particulars	As at	As at	As at	As at
	15 Aug 2023	31 March 2023	31 March 2022	31 March 2021
Raw Materials	159.71	153.62	118.58	230.11
Work in Process	118.02	61.67	32.43	9.59
Finished Goods	1,536.02	766.46	730.96	665.50
Stock in Trade	257.61	311.47	291.89	232.32
Stores and Spares	22.49	22.13	23.38	20.10
Packing Materials	11.39	13.62	14.22	12.45
Goods-in-transit	65.30	65.30	-	-
<b>Total</b>	<b>2,170.54</b>	<b>1,394.28</b>	<b>1,211.47</b>	<b>1,170.07</b>

## 17 Trade receivables

(Rs. In Lakhs)

Particulars	As at	As at	As at	As at
	15 Aug 2023	31 March 2023	31 March 2022	31 March 2021
Undisputed Trade receivables- considered good	2,158.69	2,810.87	2,169.99	1,813.17
<b>Total</b>	<b>2,158.69</b>	<b>2,810.87</b>	<b>2,169.99</b>	<b>1,813.17</b>

## 17.1 Trade Receivables ageing schedule as at 15 Aug 2023

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	1,695.27	239.39	120.91	61.15	41.97	2,158.69
Undisputed Trade Receivables- considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
<b>Sub total</b>	<b>1,695.27</b>	<b>239.39</b>	<b>120.91</b>	<b>61.15</b>	<b>41.97</b>	<b>2,158.69</b>
Undue - considered good						-
Undue - considered doubtful						-
Provision for doubtful debts						-
<b>Total</b>	<b>1,695.27</b>	<b>239.39</b>	<b>120.91</b>	<b>61.15</b>	<b>41.97</b>	<b>2,158.69</b>

## 17.2 Trade Receivables ageing schedule as at 31 March 2023

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	2,389.30	252.94	84.31	56.21	28.10	2,810.87
Undisputed Trade Receivables- considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
<b>Sub total</b>	<b>2,389.30</b>	<b>252.94</b>	<b>84.31</b>	<b>56.21</b>	<b>28.10</b>	<b>2,810.87</b>
Undue - considered good						-
Undue - considered doubtful						-
Provision for doubtful debts						-
<b>Total</b>	<b>2,389.30</b>	<b>252.94</b>	<b>84.31</b>	<b>56.21</b>	<b>28.10</b>	<b>2,810.87</b>

## 17.3 Trade Receivables ageing schedule as at 31 March 2022

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-considered good	1,473.32	324.74	287.57	64.31	20.05	2,169.99
Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Sub total	1,473.32	324.74	287.57	64.31	20.05	2,169.99
Undue - considered good	-	-	-	-	-	-
Undue - considered doubtful	-	-	-	-	-	-
Provision for doubtful debts	-	-	-	-	-	-
<b>Total</b>	<b>1,473.32</b>	<b>324.74</b>	<b>287.57</b>	<b>64.31</b>	<b>20.05</b>	<b>2,169.99</b>

## 17.4 Trade Receivables ageing schedule as at 31 March 2021

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-considered good	1,559.84	87.96	135.83	19.34	10.19	1,813.16
Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Sub total	1,559.84	87.96	135.83	19.34	10.19	1,813.16
Undue - considered good	-	-	-	-	-	-
Undue - considered doubtful	-	-	-	-	-	-
Provision for doubtful debts	-	-	-	-	-	-
<b>Total</b>	<b>1,559.84</b>	<b>87.96</b>	<b>135.83</b>	<b>19.34</b>	<b>10.19</b>	<b>1,813.16</b>

## 18 Cash and cash equivalents

(Rs. In Lakhs)

Particulars	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
- Cash on hand	0.00	0.09	0.06	0.36
- Balances with banks	5.13	6.57	14.72	42.85
- Deposits held as a margin money (20% FD for LC and BG)	5.13	6.66	14.78	43.21
<b>Total</b>	<b>64.12</b>	<b>88.81</b>	<b>93.30</b>	<b>107.21</b>

Bank Deposit having maturity of greater than 12 months, marked as lien against BG and LC

## 19 Short term loans and advances

(Rs. In Lakhs)

Particulars	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>Balances with Government Authorities</b>				
- Advance Tax, TDS and TCS	7.10	6.95	-	-
- Income Tax Refundable	0.01	0.01	0.01	0.02
- GST Receivable/ Refundable	41.08	(9.91)	62.08	82.92
<b>Other loans and advances (Unsecured, considered good)</b>				
- Advance to Sundry Creditors	62.57	51.38	2.84	8.80
- MAT credit receivable	-	-	-	-
- Prepaid expenses (unexpired fire insurance)	1.33	1.33	0.70	1.29
- Retention money deposit	206.76	209.13	208.16	234.41
<b>Total</b>	<b>318.85</b>	<b>258.89</b>	<b>273.79</b>	<b>327.45</b>

## 20 Other current assets

(Rs. In Lakhs)

Particulars	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Accrued Interest- FDR	6.73	5.73	3.94	3.83
<b>Total</b>	<b>6.73</b>	<b>5.73</b>	<b>3.94</b>	<b>3.83</b>

## 21 Revenue from operations

(Rs. In Lakhs)

Particulars	For the Year ended 15 Aug 2023	For the Year ended 31 March 2023	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Sale of products	1,038.86	4,413.11	3,937.27	5,553.85
Other operating revenues				
- Sale of scrap	1.25	2.15	1.62	4.61
	1,040.11	4,415.26	3,938.89	5,558.46
Less: Trade discount	(21.37)	(27.60)	(176.62)	(99.65)
<b>Total</b>	<b>1,018.74</b>	<b>4,387.66</b>	<b>3,762.27</b>	<b>5,458.80</b>

## 22 Other Income

(Rs. In Lakhs)

Particulars	For the Year ended 15 Aug 2023	For the Year ended 31 March 2023	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>Interest Income</b>				
- Bank Deposit	1.12	6.18	4.35	3.31
- Interest on Income Tax Refund	-	-	-	8.09
- Interest received on early repayment of LC	-	0.02	-	-
<b>Others</b>				
- Net Gain/(Loss) on foreign currency transactions and translation	(0.11)	(1.37)	0.59	1.37
- Miscellaneous Income	-	-	0.00	-
<b>Total</b>	<b>1.00</b>	<b>4.83</b>	<b>4.94</b>	<b>12.78</b>



23 Cost of materials consumed (Rs. In Lakhs)

Particulars	For the Year ended 15 Aug 2023	For the Year ended 31 March 2023	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>Raw Material Consumed</b>				
Opening Stock	153.62	118.58	230.11	147.02
Add: Purchases	747.04	2,073.13	1,291.43	1,968.87
	900.66	2,191.71	1,521.54	2,115.89
Less: Closing Stock	159.71	153.62	118.58	230.11
<b>Total</b>	<b>740.95</b>	<b>2,038.09</b>	<b>1,402.96</b>	<b>1,885.78</b>

23.1 Raw materials consumed (Items) (Rs. In Lakhs)

Particulars	For the Year ended 15 Aug 2023	For the Year ended 31 March 2023	For the Year ended 31 March 2022	For the Year ended 31 March 2021
HDPE/LLDPE Granules & Master Batch	933.55	1,891.42	1,310.61	1,717.52
Other components	70.27	146.67	92.35	168.26
<b>Total</b>	<b>1,003.82</b>	<b>2,038.09</b>	<b>1,402.96</b>	<b>1,885.78</b>

23.2 Break up of consumption

Particulars	For the Year ended 15 Aug 2023		For the year ended 31 March 2023	
	(Rs. In Lakhs)	%	(Rs. In Lakhs)	%
Raw materials/Components				
Consumables				
- Imported	-	0.00%	146.18	7.17%
- Indigenous	1,003.82	100.00%	1,891.91	92.83%
<b>Total</b>	<b>1,003.82</b>	<b>100%</b>	<b>2,038.09</b>	<b>100%</b>
Spare parts & Components				
- Imported	1.97	23.89%	2.48	11.03%
- Indigenous	6.27	76.11%	20.01	88.97%
<b>Total</b>	<b>8.23</b>	<b>100%</b>	<b>22.49</b>	<b>100%</b>

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	(Rs. In Lakhs)	%	(Rs. In Lakhs)	%
Raw materials/Components				
Consumables				
- Imported	217.96	15.54%	270.08	14.32%
- Indigenous	1,185.00	84.46%	1,615.70	85.68%
<b>Total</b>	<b>1,402.96</b>	<b>100%</b>	<b>1,885.78</b>	<b>100%</b>
Spare parts & Components				
- Imported	2.84	13.83%	4.05	12.91%
- Indigenous	17.71	86.17%	27.35	87.09%
<b>Total</b>	<b>20.55</b>	<b>100%</b>	<b>31.40</b>	<b>100%</b>

23.3 Value of Import on CIF basis (Rs. In Lakhs)

Particulars	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Raw Material	-	146.18	217.96	270.08
Stores & Spares	1.97	2.48	2.84	4.05
<b>Total</b>	<b>1.97</b>	<b>148.66</b>	<b>220.80</b>	<b>274.13</b>

24 Purchases of stock in trade (Rs. In Lakhs)

Particulars	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchases	315.37	647.06	588.14	898.60
<b>Total</b>	<b>315.37</b>	<b>647.06</b>	<b>588.14</b>	<b>898.60</b>

24.1 Purchase of major Products (Rs. In Lakhs)

Particulars	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
PVC Pipe & Fittings	315.37	647.06	588.14	898.60
<b>Total</b>	<b>315.37</b>	<b>647.06</b>	<b>588.14</b>	<b>898.60</b>

25 Change in Inventories of work in progress, finished goods and stock in trade (Rs. In Lakhs)

Particulars	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Opening Inventories</b>				
- Work - in - process	61.67	32.43	9.59	56.88
- Finished Goods	766.46	730.96	665.50	656.91
- Stock in Trade	311.47	291.89	232.32	321.85
- Goods-in-transit	65.30	-	-	-
	1,204.91	1,055.29	907.41	1,035.64
<b>Less: Closing Inventories</b>				
- Work - in - process	118.02	61.67	32.43	9.59
- Finished Goods	1,536.02	766.46	730.96	665.50
- Stock in Trade	257.61	311.47	291.89	232.32
- Goods-in-transit	65.30	65.30	-	-
	1,976.95	1,204.91	1,055.29	907.41
<b>Total</b>	<b>(772.04)</b>	<b>(149.62)</b>	<b>(147.88)</b>	<b>128.23</b>

Particulars	(Rs. In Lakhs)			
	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>Opening stock</b>				
- HDPE Sprinkler Systems	27.13	31.48	3.79	34.41
- Drip Irrigation Systems	27.72	0.29	5.80	22.46
- HDPE/LLDPE/PVC Pipe	6.82	0.66	-	-
<b>Total</b>	<b>61.67</b>	<b>32.43</b>	<b>9.59</b>	<b>56.88</b>
<b>Closing stock</b>				
- HDPE Sprinkler Systems	69.24	27.13	31.48	3.79
- Drip Irrigation Systems	20.39	27.72	0.29	5.80
- HDPE/LLDPE/PVC Pipe	28.40	6.82	0.66	-
<b>Total</b>	<b>118.02</b>	<b>61.67</b>	<b>32.43</b>	<b>9.59</b>

Particulars	(Rs. In Lakhs)			
	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>Opening stock</b>				
- HDPE/LLDPE/PVC Pipe	79.16	59.19	39.48	63.68
- HDPE Sprinkler Systems	444.49	330.06	145.79	81.92
- Drip Irrigation Systems	554.28	633.60	712.54	833.15
<b>Total</b>	<b>1,077.93</b>	<b>1,022.85</b>	<b>897.81</b>	<b>978.76</b>
<b>Closing stock</b>				
- HDPE/LLDPE/PVC Pipe	71.74	79.16	59.19	39.48
- HDPE Sprinkler Systems	807.13	444.49	330.06	145.79
- Drip Irrigation Systems	914.75	554.28	633.60	712.54
<b>Total</b>	<b>1,793.62</b>	<b>1,077.93</b>	<b>1,022.85</b>	<b>897.81</b>
<b>Turnover</b>				
- HDPE/LLDPE/PVC Pipe	694.48	1,132.85	402.78	705.19
- HDPE Sprinkler Systems	1.42	480.22	839.43	1,118.28
- Drip Irrigation Systems	344.63	2,800.04	2,695.06	3,730.37
<b>Total</b>	<b>1,040.53</b>	<b>4,413.11</b>	<b>3,937.27</b>	<b>5,553.85</b>

Particulars	(Rs. In Lakhs)			
	For the year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Manufacturing</b>				
- HDPE/LLDPE/PVC Pipe	640.79	943.81	66.63	552.02
- HDPE Sprinkler Systems	1.10	336.15	587.59	875.39
- Drip Irrigation Systems	221.30	2,709.66	2,533.36	2,920.12
	863.19	3,989.62	3,187.58	4,347.53
<b>Trading</b>				
- HDPE/LLDPE/PVC Pipe	53.69	189.04	336.15	153.17
- HDPE Sprinkler Systems	0.32	144.07	251.84	242.89
- Drip Irrigation Systems	123.33	90.38	161.70	810.25
	177.34	423.49	749.69	1,206.31
<b>Total</b>	<b>1,040.53</b>	<b>4,413.11</b>	<b>3,937.27</b>	<b>5,553.84</b>

Particulars	(Rs. In Lakhs)			
	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	138.09	522.95	772.83	698.99
Contribution to provident and other funds	4.85	13.63	28.67	24.06
Staff welfare expenses	6.71	20.65	28.66	26.63
<b>Total</b>	<b>149.64</b>	<b>557.23</b>	<b>830.17</b>	<b>749.68</b>

**Note:**

**26.1 Defined benefit plan – gratuity:** In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

**26.2 Defined benefit plan – Leave encashment:** In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

Particulars	(Rs. In Lakhs)			
	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest Expenses				
-Others	48.40	124.55	103.53	103.95
Other borrowing costs				
-Bank Charges	8.15	24.67	45.42	9.68
<b>Total</b>	<b>56.55</b>	<b>149.22</b>	<b>148.95</b>	<b>113.64</b>

Particulars	(Rs. In Lakhs)			
	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation	18.41	45.30	71.29	98.05
Amortization	9.11	7.28	1.68	3.08
<b>Total</b>	<b>27.51</b>	<b>52.58</b>	<b>72.97</b>	<b>101.13</b>

Particulars	(Rs. In Lakhs)			
	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of Stores & Spare parts	9.66	22.99	20.55	31.40
Packing Material Consumed	17.89	33.35	37.31	47.19
Consumable Expenses	-	-	-	1.43
Job & Labour Charges	19.27	28.87	22.78	29.97
Wastage process charges	-	-	-	-
Repairs and Maintenance related to				
- Plant and Machinerics	3.41	5.22	6.87	2.84
- Others	0.71	2.91	3.29	9.01
Power & fuel	65.09	113.91	86.74	128.22
Brokerage and commission	7.32	44.12	62.06	511.02
Cash Discount	3.29	0.12	1.24	39.34
Auditor's Remuneration	-	6.30	1.50	1.80
Rent on Machinery	6.80	2.20	-	-
Rent-Others	13.48	48.18	41.25	24.40
Rates & Taxes	4.82	11.29	3.48	2.90
Freight & forwarding Charges	115.57	181.64	187.43	312.71
Legal & professional Charges	7.34	44.91	59.60	16.82
Insurance Expenses	1.29	5.09	4.45	4.95
Sales promotion Expenses	5.33	58.87	63.75	102.47
Travelling & conveyance	47.97	126.68	113.78	112.67
Sundry Balance Written off (Net)	-	-	2.50	18.25
Donation Expenses	-	-	3.00	5.92
Miscellaneous Expenses	(0.95)	96.25	82.01	87.37
<b>Total</b>	<b>328.28</b>	<b>832.90</b>	<b>803.60</b>	<b>1,490.68</b>

Particulars	(Rs. In Lakhs)			
	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax				
- Current tax expenses	42.35	63.42	24.46	36.88
- Excess/Short Provision Written back/off	-	0.37	3.79	0.12
	42.35	63.79	28.25	37.00
Deferred tax				
- Deferred tax (income)/Expenses	20.82	87.72	6.30	2.04
	20.82	87.72	6.30	2.04
<b>Total</b>	<b>63.17</b>	<b>151.51</b>	<b>34.55</b>	<b>39.04</b>

Particulars	(Rs. In Lakhs)			
	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Difference between book depreciation and tax depreciation	20.82	102.02	7.36	(7.88)
Expenses provided but allowable in Income tax on Payment basis	-	(14.30)	(1.06)	9.92
<b>Total</b>	<b>20.82</b>	<b>87.72</b>	<b>6.30</b>	<b>2.04</b>

**31 Earning per share**

Particulars	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Restated profit attributable to equity shareholders (Rs)	1,10,31,400	1,13,52,554	33,74,653	64,81,494
Weighted average number of equity shares	98,97,090	98,88,114	98,80,790	98,75,855
Restated Earnings per share basic (Rs)	1.11	1.15	0.34	0.66
Restated Earnings per share diluted (Rs)	1.11	1.15	0.34	0.66
Face value per equity share (Rs)	10	10	10	10

**Note:**

Pursuant to a special resolution at the meeting of the members of the company held on 13 December, 2022 sub-division of each of the equity shares of the company having a face value of Rupees 100/- each in the authorised equity capital of the company into 10 equity shares.

Pursuant to a special resolution at the meeting of the members of the company held on 13 December, 2022 has been increased the authorised share capital of the company from existing INR 70,00,000/- to revised INR 14,50,00,000/- (addition INR 13,80,00,000/-).

**32 Auditors' Remuneration**

Particulars	(Rs. In Lakhs)			
	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Payments to auditor as - Auditor	-	6.30	1.50	1.80
<b>Total</b>	<b>-</b>	<b>6.30</b>	<b>1.50</b>	<b>1.80</b>

**33 Contingent Liabilities and Commitments**

Particulars	(Rs. In Lakhs)			
	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>Capital Commitments</b> - Estimated amount of Contracts to be executed on Capital Account and not provided for (net of advance of Rs. 50 Lakhs)	-	-	-	135.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135.00</b>

**33.1 Capital Commitments**

Refer note no. 14 capital advance - towards acquisition of capital assets, company was capital commitment for purchase of capital assets of Rs. 135 lakhs net of advance payment of Rs. 50 lakhs (19/03/2021 Rs. 25 lakhs and 30/03/2021 Rs. 25 lakhs). Acquisition and payment against the commitment is made during the FY 2021-22.

**34 Leases : operating leases**

The Company has taken various residential/commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry.

The rental expenses recognized in Profit and Loss account for operating lease.

Particulars	(Rs. In Lakhs)			
	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Minimum Rent	13.48	48.18	41.25	24.40
Contingent Rent	-	-	-	-
<b>Total</b>	<b>13.48</b>	<b>48.18</b>	<b>41.25</b>	<b>24.40</b>

**35 Disclosure of liability of gratuity and compensated absences****A Defined benefit plan – gratuity:**

In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

**B Defined benefit plan – leave encashment:**

In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method. The detail of same as follows:

The details of the above are as follows:

i) Membership data

Particulars	As at Aug 15, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)
Number of employees	69	69	80	80	125	125	142	142
Qualifying monthly salary	11.03	11.03	12.62	12.62	19.05	19.05	20.82	20.82
Average past service (in years)	3.78	3.78	3.74	3.74	3.91	3.91	2.72	2.72
Average age (in Years)	34.59	34.59	34.3	34.3	33.22	33.22	32.27	32.27
Average outstanding service of employees (in Years)	25.41	25.41	25.7	25.7	26.78	26.78	27.73	27.73

ii) Actuarial Assumptions:

Particulars	As at Aug 15, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)
Discount rate (per annum)	7.25%	7.25%	7.30%	7.30%	7.30%	7.30%	5.20%	5.20%
Salary growth rate (per annum)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
<b>Withdrawal rate (per annum) age band</b>								
25 & Below	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
25 to 35	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
35 to 45	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
45 to 55	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
55 & above	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
<b>Mortality Rates (per annum) age in year</b>								
20	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%
30	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
40	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%
50	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%
60	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%

Note:

The estimates of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

iii) Statement showing changes in present value of obligations during the year:

Particulars	As at Aug 15, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)
Present value of obligation as at the beginning of year	27.49	6.17	47.75	14.76	27.34	12.97	22.66	20.80
Interest cost	0.74	0.16	3.05	0.91	1.28	0.58	1.10	0.81
Past service cost	-	-	-	-	-	-	-	-
Current service cost	1.63	1.29	6.32	6.97	6.79	15.68	5.82	1.90
Benefit Paid Actuarial	(4.74)	(3.36)	(2.98)	(7.00)	(2.70)	(20.04)	(3.13)	(1.06)
(gain)/loss on obligations	(3.20)	0.09	(26.65)	(9.48)	15.03	5.58	0.89	(9.49)
Present value of obligation at the end of the year	21.91	4.35	27.49	6.17	47.75	14.76	27.34	12.97

iv) Actuarial gain/loss recognized for the year:

Particulars	As at Aug 15, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)
Actuarial (gain)/loss for the period --recognized	(3.20)	0.09	(26.65)	(9.48)	15.03	5.58	0.89	(9.49)
Actuarial (gain)/loss for the period --unrecognized	-	-	-	-	-	-	-	-

v) Amount to be recognized in balance sheet:

(Rs. In Lakhs)

Particulars	As at Aug 15, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)
Present value of obligation	21.91	4.35	27.49	6.17	47.75	14.76	27.34	12.97
Funded status	-	-	-	-	-	-	-	-
Net Liability recognized in balance sheet	21.91	4.35	27.49	6.17	47.75	14.76	27.34	12.97
Long term provision	15.89	18.44	18.44	4.28	35.91	10.25	21.80	9.22
Short term provision	6.02	9.05	9.05	1.89	11.83	4.51	5.54	3.75

vi) Expenses recognized in the statement of profit and loss:

Particulars	As at Aug 15, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)
Current service cost	1.63	1.29	6.32	6.97	6.79	15.68	5.82	1.90
Total employer expense	-	-	-	-	-	-	-	-
Present value of obligation as at the end of the year	21.91	4.35	27.49	6.17	47.75	14.76	27.34	12.97
fair value of planned asset as at the end of the year	-	-	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-	-	-
Interest cost	0.74	0.16	3.05	0.91	1.28	0.58	1.10	0.81
Expected return on planned assets	-	-	-	-	-	-	-	-
Curtailment/settlement Cost	-	-	-	-	-	-	-	-
Net actuarial (gain)/loss recognized	(3.20)	0.09	(26.65)	(9.48)	15.03	5.58	0.89	(9.49)
Expenses recognized in the statement of profit and loss	(0.84)	1.53	(17.28)	(1.59)	23.10	21.84	7.81	(6.77)

### 36 Related Party Disclosure

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the parties as defined in the accounting standard.

#### (i) List of Related Parties

Particulars	Relationship
Arun Goel (up to 25.09.2020)	
Smt Kusum Goel (up to 23.08.2018)	
Madhav Goel (up to 25.09.2020)	Key Managerial Personnel
Saurabh Arun Goel (up to 25.09.2020)	
Dilipkumar Shambhubhai Dholaria (up to 06.09.2022)	
Bharatkumar Tulsiibhai Patel	Chief Executive Officer and Managing Director
India Net (up to 25.09.2020)	
Santosh Agritech Services	
Daman Plastics (up to 25.09.2020)	
Silvassa Plastics (up to 25.09.2020)	
Polysil Pipes (up to 25.09.2020)	
Resin Distributors Limited (up to 25.09.2020)	Enterprises over which key managerial personnel are able to exercise significant influence
Tufropes Private limited (up to 25.09.2020)	
Polyresin Agencies (I) Limited (up to 25.09.2020)	
Aden Pharmaceuticals Private Limited (up to 06.09.2022)	
Poly Plast Agencies (I) Private Limited (up to 25.09.2020)	
Prafulbhai Dhamjibhai Radadia (w.e.f. 04.07.2022)	Wholetime Director
Anilkumar Radheshyam Singh (w.e.f. 10.11.2022)	Non-Executive Director
Bipinkumar Hirpara (w.e.f. 16.01.2023)	Independent Director
Mona Patel (w.e.f. 13.03.2023)	Independent Director
Neha Gupta (w.e.f. 01.02.2023)	Compliance Officer (Company Secretary)
Aman Malpani (w.e.f. 01.02.2023)	Chief Financial Officer
Vima Engineering Pvt Ltd	
Vima Alliance Infra Pvt Ltd	Enterprises over which Non-Executive Director is able to exercise significant influence
Associated Power Structures Pvt Ltd (upto 29.02.2020)	
Polysil Drip Irrigation LLP (strike off August -2017)	Enterprises over which CEO & MD is able to exercise significant influence
Parthsarathi Academy Pvt Ltd	
Bhalala Kanani & Co	Enterprises over which Independent Director is able to exercise significant influence
Hirpara & Co	
Smart Trading Services	Proprietor is the Relative of Chief Executive Officer and Managing Director

#### (ii) Related Party Transactions

Particulars	(Rs. in Lakhs)			
	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Capital Advances				
- Tufropes Private Limited	-	-	162.40	50.00
Acquisition of Capital Assets				
- Tufropes Private Limited	-	-	212.40	-
Purchases				
- Tufropes Private Limited	-	-	0.04	-
- Polysil Pipes	-	-	0.33	-
- Smart Trading Services	5.77	3.38	5.00	10.34
Loan Taken				
- Bharat T Patel	106.75	208.51	41.50	-
Loan Repaid				
- Resin Distributors Limited	-	-	-	283.78
- Bharat T Patel	94.25	89.05	24.50	-
Rent				
- Santosh Agritech Services (Godown Rent)	-	-	9.44	14.16
- Smart Trading Services	4.32	14.04	5.90	-
Directors' Remuneration				
- Bharat T Patel	14.01	42.02	37.02	30.02
- Dilipkumar Shambhubhai Dholaria (up to 06.09.2022)	-	-	-	15.60
- Prafulbhai Dhamjibhai Radadia (w.e.f. 04.07.2022)	4.33	9.01	-	-
Salary				
- Aman Malpani (w.e.f. 01.02.2023)	2.70	8.09	2.02	-
- Prafulbhai Dhamjibhai Radadia (w.e.f. 04.07.2022)	-	3.97	12.41	12.00
- Neha Gupta (w.e.f. 01/02/2023)	0.85	0.63	-	-
Travelling Expenses and TADA				
- Prafulbhai Dhamjibhai Radadia (w.e.f. 04.07.2022)	2.27	12.00	9.22	-

(iii) Related Party Balances	(Rs. in Lakhs)			
	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Other Long term liabilities				
-Tufropes Private Limited	93.86	93.86	93.86	43.86
Trade Receivables				
-Santosh Agritech Services	0.92	0.92	0.92	0.90
-Aden Pharmaceuticals Private Limited	0.13	0.13	0.13	0.13
Short term borrowings				
-Bharat T Patel	148.96	136.46	17.00	1.92
-Dilip Shambhubhai Dholaria	-	-	-	2.17
Short term loans and advances				
-Smart Trading Services	8.92	10.03	12.22	5.63
Other current liabilities				
-Prafulbhai Dhamjibhai Radadia	5.41	5.54	2.79	2.55
Salary Payable				
- Bharatkumar Tulsibhai Patel	-	3.50	-	-
- Prafulbhai Dhamjibhai Radadia	4.33	1.08	-	-
- Aman Malpani	2.02	0.67	-	-
- Neha Gupta	0.42	0.21	-	-

### 37 MSME

On the basis of confirmation obtained from the supplier who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

Particulars	(Rs. in Lakhs)			
	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
a) The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting period				
- Principle amount	299.31	195.53	266.91	283.74
- Interest due thereon				
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 period;				
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 period; 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.				



**38 Segment reporting**

The Company is engaged in one segment only i.e. High Density Polyethylene Pipe (HDPE)/Linear Low Density Polyethylene Pipe (LLDPE)/Low Density Polyethylene Pipe (LDPE) and Micro irrigation Systems and hence there are no separate reportable segment.

Previous year's figures have been regrouped/rearranged wherever necessary to make them comparable with current year figures.

**39 Title deed of immovable property not held in the name of company**

The company holds all the title deeds of immovable property in its name.

**40 Benami property**

The company does not have any Benami property, where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

**41 Security of Current Assets Against Borrowings**

The company has filed monthly returns or statements of current assets with Banks for borrowing facility against the security of the current assets from banks.

**42 wilful defaulter**

The company is not declared as wilful defaulter by any bank or financial Institution or other lender.

**43 Transactions with struck off companies**

The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

**44 Registration of charges or satisfaction with Registrar of Companies**

The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**45 Scheme of Arrangements**

There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

**46 Utilisation of Borrowed funds and share premium:**

**A** The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources 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) that the Intermediary shall:

(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 company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(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 on behalf of the Ultimate Beneficiaries.

**47 Undisclosed income**

The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the years in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme.

**48 Compliance with number of layers of companies**

The Company does not have any subsidiaries therefore disclosure of compliance with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

**49 disclosure pertaining to 'details of crypto currency or virtual currency**

The company has not traded or invested in Crypto currency or Virtual Currency during the reporting periods

**50 Revaluation of PPE and Intangible assets**

The company has not revalued its Property, Plant and Equipment and Intangible assets during the reporting periods. The disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.

**51 Disclosure pertaining to 'corporate social responsibility activities'**

The company is not covered under section 135 of the Companies Act, 2013. The disclose with regard to CSR activities is not applicable

POLYSIL IRRIGATION SYSTEMS LIMITED  
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Annexure IV - Notes to the Restated Financial Information  
(Amounts in INR Lakh, unless otherwise stated)

52 Ratio analysis and its elements

52.1 Ratio

Particulars	15 Aug 2023	31 March 2023	31 March 2022	31 March 2021	% change from March 31, 2023 to July 30, 2023	% change from March 31, 2022 to March 31, 2023	% change from March 31, 2021 to March 31, 2022
Current Ratio	1.35	1.31	1.38	1.38	2.49%	-4.42%	-0.61%
Debt-Equity Ratio	0.95	1.01	1.09	0.83	-5.56%	-7.53%	31.98%
Debt Service Coverage Ratio	2.50	1.88	0.56	2.21	33.09%	232.33%	-74.41%
Return on Equity Ratio	8.24%	13.84%	2.96%	5.15%	-40.45%	368.41%	-42.62%
Inventory Turnover Ratio	0.57	3.37	3.16	4.58	-83.03%	6.59%	-31.07%
Trade Receivables Turnover Ratio	0.41	1.76	1.89	3.59	-76.73%	-6.74%	-47.31%
Trade Payables Turnover Ratio	0.87	2.42	2.10	3.23	-63.98%	14.96%	-34.88%
Net Capital Turnover Ratio	0.84	4.02	3.67	5.75	-79.18%	9.47%	-36.13%
Net Profit Ratio	10.83%	2.59%	0.90%	1.19%	318.51%	188.46%	-24.46%
Return on Capital Employed	6.93%	12.81%	6.02%	8.59%	-45.88%	112.62%	-29.83%
Return on Investment	NA	NA	NA	NA	NA	NA	NA

52.2 Elements of Ratio

Particulars	Numerator/Denominator	(Rs. in Lakhs)			
		15 Aug 2023	31 March 2023	31 March 2022	31 March 2021
(a) Current Ratio	<u>Current Assets</u>	4,718.93	4,558.58	3,752.49	3,421.72
	Current Liabilities	3,501.91	3,467.01	2,727.88	2,472.16
(b) Debt-Equity Ratio	<u>Total Debts</u>	1,566.17	1,547.25	1,494.96	1,104.83
	Equity	1,646.02	1,535.71	1,372.06	1,338.31
(c) Debt Service Coverage Ratio*	<u>Earning available for Debt Service</u>	207.05	378.38	216.54	271.93
	Interest + Installments	82.95	201.76	383.74	123.31
(d) Return on Equity Ratio **	<u>Profit after Tax</u>	131.14	201.25	40.05	66.85
	Average Shareholder's Equity	1,590.86	1,453.88	1,355.19	1,297.99
(e) Inventory Turnover Ratio	<u>Total Turnover</u>	1,018.74	4,387.66	3,762.27	5,458.80
	Average Inventories	1,782.41	1,302.87	1,190.77	1,190.87
(f) Trade Receivables Turnover Ratio	<u>Total Turnover</u>	1,018.74	4,387.66	3,762.27	5,458.80
	Average Account Receivable	2,484.78	2,490.43	1,991.58	1,522.64
(g) Trade Payables Turnover Ratio	<u>Total Purchases</u>	1,062.40	2,720.19	1,879.58	2,867.47
	Average Account Payable	1,221.20	1,126.14	894.53	888.72
(h) Net Capital Turnover Ratio	<u>Total Turnover</u>	1,018.74	4,387.66	3,762.27	5,458.80
	Net Working Capital	1,217.02	1,091.57	1,024.60	949.56
(i) Net Profit Ratio	<u>Net Profit after tax</u>	110.31	113.53	33.75	64.81
	Total Turnover	1,018.74	4,387.66	3,762.27	5,458.80
(j) Return on Capital Employed	<u>Earning before interest and taxes</u>	221.88	389.59	171.82	207.80
	Capital Employed	3,200.50	3,041.33	2,851.92	2,420.24
(k) Return on Investment	<u>Return on Investment</u>	NA	NA	NA	NA
	Total Investment	NA	NA	NA	NA

\*Borrowings from Banks & financial institutions is taken for calculating Debt service coverage ration

\*\* Profit after Tax is considered after deducting Current tax only.

53 This Restated Financial Information were authorised for issue in accordance with a resolution of the Board of Directors on July 24, 2023 and resolution of the Extra-Ordinary General Meeting of Members on August 17, 2023.

54 Undisputed Statutory Dues Payable

Month	Due Date of Payment	Amount of Due for Payment	Month	Due Date of Payment	Amount of Due for Payment
Nov-19	15/12/2019	25,710	Oct-21	15/11/2021	29,560.00
Dec-19	15/01/2020	27,150	Nov-21	15/12/2021	28,430.00
Jan-20	15/02/2020	26,600	Dec-21	15/01/2022	29,700.00
Feb-20	15/03/2020	26,360	Jan-22	15/02/2022	30,210.00
Mar-20	15/04/2020	27,600	Feb-22	15/03/2022	30,000.00
Apr-20	15/05/2020	28,300	Mar-22	15/04/2022	30,010.00
May-20	15/06/2020	28,690	Apr-22	15/05/2022	27,800.00
Jun-20	15/07/2020	28,310	May-22	15/06/2022	28,400.00
Jul-20	15/08/2020	28,060	Jun-22	15/07/2022	23,800.00
Aug-20	15/09/2020	28,480	Jul-22	15/08/2022	23,800.00
Sep-20	15/10/2020	29,370	Aug-22	15/09/2022	23,200.00
Oct-20	15/11/2020	29,000	Sep-22	15/10/2022	22,200.00
Nov-20	15/12/2020	28,120	Oct-22	15/11/2022	21,400.00
Dec-20	15/01/2021	29,100	Nov-22	15/12/2022	20,400.00
Jan-21	15/02/2021	31,220	Dec-22	15/01/2023	20,000.00
Feb-21	15/03/2021	30,930	Jan-23	15/02/2023	19,400.00
Mar-21	15/04/2021	31,670	Feb-23	15/03/2023	18,600.00
Apr-21	15/05/2021	32,010	Mar-23	15/04/2023	17,000.00
May-21	15/06/2021	31,600	Apr-23	15/05/2023	15,400.00
Jun-21	15/07/2021	7,200	May-23	15/06/2023	15,400.00
Jul-21	15/08/2021	8,180	Jun-23	15/07/2023	14,600.00
Aug-21	15/09/2021	30,500	Jul-23	15/08/2023	14,200.00
Sep-21	15/10/2021	30,150			

- The Company has deducted profession tax from payment to employees from the period beginning from Nov -19. The same remains unpaid as on the date of financial statement.

Disputed Statutory Dues Payable

Nature of the Statute	Nature of Dues	From where the dispute is Pending	Period to which the Amount Relates	Amount ₹ Lakhs
The Income Tax Act, 1961	Income Tax	CPC, Bangalore	AY <sup>(1)</sup> 2020-21 (Tax)	11.26
			AY <sup>(1)</sup> 2015-16	2.82
	Income Tax	CPC, Bangalore	AY <sup>(1)</sup> 2016-17	0.04
The Income Tax Act, 1961	TDS	CPC, Bangalore	FY <sup>(1)</sup> 2022-23	0.1004
	TDS	CPC, Bangalore	FY <sup>(1)</sup> 2021-22	3.6864
	TDS	CPC, Bangalore	FY <sup>(1)</sup> 2020-21	1.9957
	TDS	CPC, Bangalore	FY <sup>(1)</sup> 2019-20	0.0002
	TDS	CPC, Bangalore	FY <sup>(1)</sup> 2017-18	0.0088
	TDS	CPC, Bangalore	FY <sup>(1)</sup> 2015-16	0.0083
	TDS	CPC, Bangalore	FY <sup>(1)</sup> 2014-15	0.4314
	TDS	CPC, Bangalore	FY <sup>(1)</sup> 2013-14	0.5837
	TDS	CPC, Bangalore	FY <sup>(1)</sup> 2011-12	0.0014
	TDS	CPC, Bangalore	FY <sup>(1)</sup> 2010-11	1.1904
	TDS	CPC, Bangalore	FY <sup>(1)</sup> 2009-10	0.0225

Footnotes: <sup>(1)</sup> AY=Assessment Year; FY= Financial Year

**POLYSIL IRRIGATION SYSTEMS LIMITED**

**CIN: U17100GJ1985PLC127398**

**Annexure V - Statement of Adjustments to the Restated Financial Information**

**(Amounts in INR Lakh, unless otherwise stated)**

Summarised below are the restatement adjustments made to equity for the period ended Aug 15, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, and their consequential impact on the equity of the Company:

Particulars	(Rs. In Lakhs)			
	As at 15 Aug 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Total Equity as per Audited Financial Statements	1,646.02	1,535.71	1,398.79	1,332.29
<u>Restatement adjustments</u>				
Compliance of Accounting Standard - 15	-	-	26.73	(6.02)
<b>Total impact of adjustments</b>	-	-	26.73	(6.02)
Total Equity as per Restated Financial Information	1,646.02	1,535.71	1,372.06	1,338.31
<b>Total</b>	<b>1,646.02</b>	<b>1,535.71</b>	<b>1,372.06</b>	<b>1,338.31</b>

Summarised below are the restatement adjustments made to the net profit after tax for the period ended Aug 15, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, their impact on the profit / (loss) of the Company:

Particulars	(Rs. In Lakhs)			
	For the Year ended 15 Aug 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit after tax as per Audited Financial Statements	110.31	113.53	66.50	48.18
<u>Restatement adjustments</u>				
<u>Compliance of Accounting Standard - 15</u>				
(Increase)/decrease in expenses				
Employee benefit expenses	-	-	(32.75)	16.63
<b>Restated profit before tax</b>	<b>110.31</b>	<b>113.53</b>	<b>33.75</b>	<b>64.81</b>
Tax adjustments	-	-	-	-
Profit after tax as per Restated financial information	110.31	113.53	33.75	64.81
<b>Total</b>	<b>110.31</b>	<b>113.53</b>	<b>33.75</b>	<b>64.81</b>

**Notes to adjustments:**

**Note 1:**

**Emphasis of Matter-** There are no audit qualifications in auditor's report for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021. The Audit Report for FY 2022-23 has Emphasis of Matter, which is reproduced below:- We draw your attention to Note 47 of the financial statement, which states that the Company has deducted profession tax from payment to employees but not paid the same for the period beginning from Nov- 2019 till date of this audit report. Our opinion is not modified in respect of this matter.

**Note 2:**

**Material regrouping/reclassification** - Appropriate regrouping/reclassification have been made in the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the period ended Aug 15, 2023 audited financial statements prepared in accordance with Schedule III of the Act, applicable AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

**Note 3:**

**Compliance of Accounting Standard - 15 (Revised 2005)**, actuarial valuation was obtained from the actuary in respect of the defined benefit plans using projected unit credit method for the period ended Aug 15, 2023, March 31, 2023 and March 31, 2022 and 2021 and liability and employee benefit expenses adjusted accordingly.

**Notes to non-adjustments:**

**Auditor's Comments in Annexure to Auditors' Report:**

**Clause vii(a) of CARO 2020 Order - for the year ended March 31, 2023**

In our opinion and according to the information and representations made to us, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities except for profession tax, the extent of the arrears of outstanding profession Tax dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, is indicated in note no. 54.

**Clause XVIII of CARO 2020 Order - period year March 31, 2023**

There has been resignation of the statutory auditors during the year and there are no issues, objections or concerns raised by the outgoing auditors.

**Clause X (b) of CARO 2020 Order - FY 2020-21 and year ended March 31, 2023**

During the year, the Company has made preferential allotment or private placement of shares (fully paid). In our opinion, based on the documents provided and representations made, the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

**For RATAN CHANDAK & CO**

Chartered Accountants

Firm's Registration No. 108696W

Sd/-

**Jagadish Laxman Sate**

Partner

Membership No. 182935

UDIN: 24182935BKBIUG4676

Place: Navi Mumbai

Date: 29th January 2024

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

**POLYSIL IRRIGATION SYSTEMS LIMITED**

Sd/-

**Bharat Patel**

CEO & MD

07780251

Sd/-

**Praful Radadia**

Director

09660425

Sd/-

**Aman Malpani**

CFO (KMP)

Sd/-

**Neha Gupta**

Company Secretary

Place: Vadodara

Date: 29th January 2024

## CAPITALISATION STATEMENT

The following table of our Company's capitalisation as at August 15, 2023, which is derived from our Restated Financial Statement, and as adjusted for the Offer. Please refer to the chapter titled "*Restated Financial Statement*"- Annexure VII on page 153 of this Prospectus.

## **OTHER FINANCIAL INFORMATION**

The accounting ratios required under Paragraph 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given in the chapter titled "***Restated Financial Statement***"- Annexure VI on page 153 of this Prospectus

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion and analysis of our financial position and results of operations is based on our Restated Financial Statements for the period ended August 15, 2023, financial year ended March 31, 2023, 2022 and 2021 including the related notes and reports, included in this 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 Company has not attempted to explain those differences or quantify their impact on the financial data included in this Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial information. Our Financial Statements, as restated have been derived from our audited financial statements for the respective period and years. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("*Fiscal Year*") are to the twelve-month period ended March 31 of that year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "*Risk Factors*" and "*Forward Looking Statements*" beginning on pages 23 and 13, respectively, and elsewhere in this Prospectus.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to our Company. Unless otherwise indicated, financial information included herein are based on our "*Restated Financial Statements*" for the period ended August 15, 2023, for the Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022 and for the Financial Year ended March 31, 2021 beginning on page 153 of this Prospectus.

### BUSINESS OVERVIEW

Incorporated in 1985 our Company is a fully integrated player within the drip irrigation and sprinkler irrigation sectors, with presence in micro irrigation industry. Our products are reckoned to meet high quality standards and our brand is associated with providing value-based irrigation solutions to our end customers and are subject to BIS standards. Our Company is engaged in manufacturing and sale of HDPE pipes, fittings and micro irrigation systems, such as drip irrigation system and sprinkler irrigation system, its components, accessories and allied products.

For further details, please refer chapter titled "*Business Overview*" beginning on page 102 of this Prospectus.

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

After the date of last financial year i.e., March 31, 2023, except as mentioned in this Prospectus, the following material events have occurred: -

1. The Board of Directors of the Company approved the Initial Public Offering of our Company in their meeting held on July 24, 2023.
2. The Shareholders of the Company approved the Initial Public Offering of our Company in their meeting held on August 17, 2023.

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the chapter titled "*Risk Factors*" beginning on page 23 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Volatility in supply and pricing of products;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments;
- Competition from existing and new companies may adversely affect our revenues and profitability;
- General economic, political and other risks that are out of our control;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition;
- Default or delay in payment from customers;
- Changes in laws, rules & regulations and legal uncertainties;
- Economic and Demographic condition;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.



## SIGNIFICANT ACCOUNTING POLICIES

For more details, please see chapter titled “*Significant Accounting Policies to the Restated Financial Statements*”, under chapter titled “*Financial Statements*” beginning on page 148 of the Prospectus.

## DISCUSSION ON RESULTS OF OPERATIONS

The following table sets forth financial data from our restated financial statements of profit & loss for the period ended August 15, 2023, Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022 and for the Financial Year ended March 31, 2021, the components of which are also expressed as a percentage of total revenue for such periods:

(₹ in Lakhs)

Particulars	As on August 15, 2023		As on March 31, 2023		As on March 31, 2022		As on March 31, 2021	
	₹ in lakhs	%*	₹ in lakhs	%*	₹ in lakhs	%*	₹ in lakhs	%*
<b>(A) REVENUE</b>								
Revenue from Operations	1,018.74	99.90%	4,387.66	99.89%	3,762.27	99.87%	5,458.80	99.77%
Other Income	1.00	0.10%	4.83	0.11%	4.94	0.13%	12.78	0.23%
<b>Total Revenue</b>	<b>1,019.74</b>	<b>100.00%</b>	<b>4,392.49</b>	<b>100.00%</b>	<b>3,767.21</b>	<b>100.00%</b>	<b>5,471.58</b>	<b>100.00%</b>
<b>(B) EXPENDITURE</b>								
Cost Raw Material Consumed	740.95	72.66%	2,038.09	46.40%	1,402.96	37.24%	1885.78	34.47%
Purchases of Stock in Trade	315.37	30.93%	647.06	14.73%	588.14	15.61%	898.60	16.42%
Change in Inventories of work in progress, finished goods and Stock in Trade	(772.04)	-75.71%	(149.62)	(3.41%)	(147.88)	(3.93%)	128.23	2.34%
Employee Benefits Expenses	149.64	14.67%	557.23	12.69%	830.17	22.04%	749.68	13.70%
Finance Costs	56.55	5.55%	149.22	3.40%	148.95	3.95%	113.64	2.08%
Depreciation and Amortization Expenses	27.51	2.70%	52.58	1.20%	72.97	1.94%	101.13	1.85%
Other Expenses	328.28	32.19%	832.90	18.96%	803.60	21.33%	1,490.68	27.24%
<b>Total Expenditure</b>	<b>846.26</b>	<b>82.99%</b>	<b>4,127.45</b>	<b>93.97%</b>	<b>3698.92</b>	<b>98.19%</b>	<b>5,367.73</b>	<b>98.10%</b>
<b>Profit Before Tax</b>	<b>173.48</b>	<b>17.01%</b>	<b>265.04</b>	<b>6.03%</b>	<b>68.29</b>	<b>1.81%</b>	<b>103.85</b>	<b>1.90%</b>
<b>Tax Expense:</b>								
(1) Current tax	42.35	4.15%	63.42	1.44%	24.46	0.65%	36.88	0.67%
(2) Deferred tax	20.82	2.04%	87.72	2.00%	6.30	0.17%	2.04	0.04%
(3) Short /(Excess) provision for income tax of earlier year	-	-	0.37	0.01%	3.79	0.10%	0.12	Negligible
<b>Total Tax Expense</b>	<b>63.17</b>	<b>6.19%</b>	<b>151.51</b>	<b>3.45%</b>	<b>34.55</b>	<b>0.92%</b>	<b>39.04</b>	<b>0.71%</b>
<b>Profit/(Loss) for the period</b>	<b>110.31</b>	<b>10.82%</b>	<b>113.53</b>	<b>2.58%</b>	<b>33.75</b>	<b>0.90%</b>	<b>64.81</b>	<b>1.18%</b>

\* (%) column represents percentage of total revenue.

### Key Components of our Statement of Profit and Loss Based on our Restated Financial Statements

#### Revenues from Operations

Our revenue from operations represents sale of our products. is a fully integrated player within the drip irrigation and sprinkler irrigation sectors, with presence in micro irrigation industry. Our products are reckoned to meet high quality standards and our brand is associated with providing value-based irrigation solutions to our end customers and are subject to BIS standards. Our Company is engaged in manufacturing and sale of HDPE pipes, fittings and micro irrigation systems, such as drip irrigation system and sprinkler irrigation system, its components, accessories and allied products. For detail, please refer to chapter “*Business Overview*” on page 102 of this Prospectus.

## **Other Income**

Other Income primarily includes interest income on Bank Deposit.

## **Expenditure**

Our total expenditure primarily consists of cost raw material consumed, purchases of stock-in-trade, change in inventories of work in progress, finished goods and stock-in-trade, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

### **Cost Raw Material Consumed**

Our cost of Raw Material primarily comprises of raw materials used in the manufacturing of our products. Our key raw material includes HDPE, LLDPE and LDPE, which we procure from domestic market and also import.

### **Purchase of Stock in Trade**

Our purchase of stock in trade are material comprising of fittings, valves, fixtures, filters, etc which we manufacture from third party manufacturer under our brand or third party brand.

### **Change in Inventories of work in progress, finished goods, Stock in Trade and Goods in Transit**

Changes in inventories of work in progress, finished goods, stock-in-trade and goods in transit consists of (i) inventories at the beginning of the period (work-in-progress, finished goods and stock-in-trade); and (ii) inventories at the end of the period (work in progress, finished goods, stock-in-trade and goods in transit), making up the net (increase) / decrease in inventories.

### **Employee Benefit Expenses**

Employee benefit expenses comprises of salaries and wages paid to directors, workers and other employees, Contribution to provident and other funds and Staff Welfare Expenses.

### **Finance costs**

Finance cost includes interest expenses and bank charges.

### **Depreciation and Amortization Expenses**

Depreciation and Amortization Expenses consist of depreciation on the tangible assets owned by our company i.e. factory building, road, plant & machinery, electrical installation, office equipment, factory equipment, furniture & fixtures, computers, laboratory equipment and air conditioners & refrigeration.

### **Other Expenses**

Other expenses consist of consumption of stores & spare parts, packing material consumed, consumable expenses, job & labour charges, repairs and maintenance, power & fuel, brokerage and commission, cash discount, auditor's remuneration, rent, rates & taxes, freight & forwarding charges, legal & professional charges, insurance expenses, sales promotion expenses, travelling & conveyance, sundry balance written off, donation expenses and miscellaneous expenses.

## **Review of Operation for The Period April 01, 2023 to August 15, 2023**

### **Total Revenue:**

Our total revenue for the period from April 01, 2023 to August 15, 2023 amounts to ₹ 1,019.74 Lakhs. Our total revenue comprises of revenue from operations and other income.

### **Revenue from Operations:**

Revenue from operations from April 01, 2023 to August 15, 2023 is ₹ 1,018.74 Lakhs which is 99.90 % of the total revenue for the period.

### **Other Income:**

Our other income constitutes of interest on bank Deposit and loss on foreign currency transactions and translation for the period from April 01, 2023 to August 15, 2023, it amounted to ₹ 1.00 Lakhs which forms a negligible part of the total revenue for the current period.

## **Expenditure**

### **Cost Raw Material Consumed**

Cost Raw Material Consumed for the given period amounts to ₹ 740.95 Lakhs which is 72.66 % of total revenue for the period.

### **Purchase of Stock in Trade**

Purchase of Stock in Trade for the given period amounts to ₹ 315.37 Lakhs which is 30.93 % of total revenue for the period.

#### **Change in Inventories of work in progress, finished goods and Stock in Trade**

Change in Inventories of work in progress, finished goods and Stock in Trade for the given period amounts to ₹ (772.04) Lakhs which is (75.71) % of total revenue for the period.

#### **Employee Benefits Expense:**

Employee benefits expense for the given period amounts to ₹ 149.64 Lakhs which is 14.67% of the total revenue for the period.

#### **Depreciation and amortization expense:**

Depreciation and amortization expense for the period April 01, 2023 to August 15, 2023 amounts to ₹ 27.51 Lakhs which is 2.70% of the total revenue for the period.

#### **Finance Cost:**

Finance Cost which comprises interest expenses from April 01, 2023 to August 15, 2023 amounts to ₹ 56.55 Lakhs which is 5.55% of the total revenue for the period.

#### **Other Expenses:**

Other Expenses for the period April 01, 2023 to August 15, 2023 amount to ₹ 328.28 Lakhs which is 32.19% of the total revenue of the period.

#### **Tax expenses**

Tax Expenses for the period April 01, 2023 to August 15, 2023 amount to ₹ 63.17 Lakhs which is 6.19% of the total revenue of the period.

#### **Profit After Tax:**

After considering the above expenditure profit after tax for the period ended August 15, 2023 is ₹ 110.31 Lakhs which amounts to 10.82% of the total revenue for the period.

### **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2023 TO FINANCIAL YEAR ENDED MARCH 31, 2022**

#### **Income:**

##### **Total Revenue**

Our total revenue increased by 16.60% to ₹ 4392.49 Lakhs for Fiscal 2023 from ₹ 3767.21 Lakhs for Fiscal 2022.

##### **Revenue from Operations**

Our revenue from operations increased by 16.62 % to ₹ 4,387.66 Lakhs for Fiscal 2023 from ₹ 3,762.27 Lakhs for Fiscal 2022. The increase in revenue from operations was primarily due to addition in capacity utilization and increase in our dealership network and greater operational efficiencies. Further, the primary reason was also due to increasing in our turnover of manufacturing business in HDPE/LLDPE/PVC Pipe segment where we generated business in that segment of ₹ 927.60 Lakhs in Fiscal 2023 as compared to ₹ 66.63 Lakhs in Fiscal 2022.

##### **Other Income**

Our other income decreased by (2.25%) to ₹ 4.83 Lakhs for Fiscal 2023 from ₹ 4.94 Lakhs for Fiscal 2022. Further, loss from on foreign currency transaction of ₹ (1.37) Lakhs in Fiscal 2023.

#### **Expenditure**

##### **Cost Raw Material Consumed**

Our cost of raw material consumed increased by 45.27% to ₹ 2038.09 Lakhs for Fiscal 2023 from ₹ 1,402.96 Lakhs for Fiscal 2022. The increase in cost of raw material consumed is primarily on account of increase in sales in Fiscal 2023 as compared to Fiscal 2022. The increase was on account of purchase of raw material of ₹ 2073.3 Lakhs in Fiscal 2023 as compared ₹ 1291.43 Lakhs in Fiscal 2022. The increase in purchase is on account of steep increase in the price of the raw materials.

##### **Purchase of Stock in Trade**

Our purchase of stock in trade increased by 10.02 % to ₹ 647.06 Lakhs for Fiscal 2023 from ₹ 588.14 Lakhs for Fiscal 2022. The increase in stock-in-trade is primarily on account of increase in sales of trading products in Fiscal 2023 as compared to Fiscal 2022.

##### **Change in Inventories of work in progress, finished goods and Stock in Trade**

Our change in inventories increased by 1.18% to ₹ (149.62) Lakhs for Fiscal 2023 from ₹ (147.88) Lakhs for Fiscal 2022.

### **Employee Benefits Expenses**

The employee benefit expenses decreased by 32.88% to ₹ 557.23 Lakhs for Fiscal 2023 from ₹ 830.17 Lakhs for Fiscal 2022. The decrease in employee benefit expense is on account of reduction in salaries and wages of ₹ 522.95 Lakhs for Fiscal 2023 as compared to ₹ 772.83 Lakhs in Fiscal 2022.

### **Depreciation and Amortization Expenses**

Our depreciation and amortization expense decreased by (27.94%) to ₹ 52.58 Lakhs for fiscal 2023 from ₹ 72.97 Lakhs for fiscal 2022.

### **Finance Cost**

The finance costs increased marginally by 0.18% to ₹ 149.22 Lakhs for fiscal 2023 from ₹ 148.95 Lakhs for fiscal 2022.

### **Other Expenses**

Our other expenses increased marginally by 3.65% ₹ 832.90 Lakhs for Fiscal 2023 as against ₹ 803.41 Lakhs for Fiscal 2022. The primary reason for increasing in other expenses was due to increasing in power and fuel consumption, consumption of stores and spares part, job and labour charges etc.

### **Tax expenses**

Our Company incurred Current Tax expenses of ₹ 63.42 Lakhs in the Fiscal 2023 as compared to ₹ 24.46 Lakhs in the Fiscal 2022. Our deferred tax expenses increased to ₹ 87.72 Lakhs for fiscal 2023 from ₹ 6.30 Lakhs for fiscal 2022.

### **Profit after Tax (PAT)**

The Company reported Restated profit after tax for the Fiscal 2023 of ₹ 113.53 Lakhs in comparison to ₹ 33.75 Lakhs in the Fiscal 2022 majorly due to factors mentioned above.

## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 TO FINANCIAL YEAR ENDED MARCH 31, 2021**

### **Income:**

#### **Total Revenue**

Our total revenue decreased by 31.15% to ₹ 3,767.21 Lakhs for Fiscal 2022 from ₹ 5,471.58 Lakhs for Fiscal 2021.

#### **Revenue from Operations**

Our revenue from operations decreased by (31.08%) to ₹ 3,762.27 Lakhs for Fiscal 2022 from ₹ 5,458.80 Lakhs for Fiscal 2021. This decrease in revenue is on account of reduction in the HDPE/LLDPE/PVC Pipe business segment of both manufacturing and trading where in manufacturing turnover was ₹ 66.63 Lakhs in Fiscal 2022 as compared to ₹ 552.02 Lakhs in Fiscal 2021 and trading segment of HDPE/LLDPE/PVC Pipe was ₹ 336.15 Lakhs in Fiscal 2022 as compared to ₹ 153.17 Lakhs.

#### **Other Income**

Our other income decreased by (61.33%) to ₹ 4.94 Lakhs for Fiscal 2022 from ₹ 12.78 Lakhs for Fiscal 2021. Other income as interest on income tax refund for Fiscal 2022 was NIL as against ₹ 8.09 Lakhs in Fiscal 2021. Further, income from gain on foreign currency translation also reduced by ₹ 0.78 Lakhs in Fiscal 2022 as compared to Fiscal 2021.

### **Expenditure**

#### **Cost Raw Material Consumed**

Our cost of raw material consumed decreased by (25.60%) to ₹ 1,402.96 Lakhs for Fiscal 2022 from ₹ 1,885.78 Lakhs for Fiscal 2021. The decrease in cost of raw material consumed is primarily on account of reduced sales in Fiscal 2022 as compared to Fiscal 2021.

#### **Purchase of Stock in Trade**

Our purchase of stock in trade decreased by (34.55%) to ₹ 588.14 Lakhs for Fiscal 2022 from ₹ 898.60 Lakhs for Fiscal 2021. The decrease in stock-in-trade is primarily on account of reduced sales of trading products in Fiscal 2022 as compared to Fiscal 2021.

#### **Change in Inventories of work in progress, finished goods and Stock in Trade**

Our change in inventories decreased to ₹ (147.88) Lakhs for Fiscal 2022 from ₹ 128.23 Lakhs for Fiscal 2021.

### **Employee Benefits Expenses**

The employee benefit expenses increased by 10.74% to ₹ 830.17 Lakhs for Fiscal 2022 from ₹ 749.68 Lakhs for Fiscal 2021. The increase in employee benefit expense is on account of provision towards gratuity and leave encashment.

### **Depreciation and Amortization Expenses**

Our depreciation and amortization expense decreased by (27.85%) to ₹ 72.97 Lakhs for fiscal 2022 from ₹ 101.13 Lakhs for fiscal 2021.

## Finance Cost

The finance costs increased by 31.08% to ₹ 148.95 Lakhs for fiscal 2022 from ₹ 113.64 Lakhs for fiscal 2021. The increase is due to higher bank charges of ₹45.42 Lakhs as against ₹9.68 Lakhs in Fiscal 2021.

## Other Expenses

Our other expenses for Fiscal 2022 was ₹ 803.41 Lakhs as against ₹ 1490.68 Lakhs for Fiscal 2021. This decrease in other expenses by (46.10 %) was attributable to decrease in Brokerage and Commission from ₹ 511.02 Lakhs in Fiscal 2021 to ₹ 62.06 Lakhs in Fiscal 2022, power and fuel expenses from ₹128.22 Lakhs in Fiscal 2021 to ₹86.74 Lakhs in Fiscal 2022, freight & forwarding expense from ₹312.71 Lakhs in Fiscal 2021 to ₹ 187.43 Lakhs in Fiscal 2022. The decrease in other expenses is due to decrease in revenue from operations.

## Tax expenses

Our Company incurred Current Tax expenses of ₹ 24.46 Lakhs in the Fiscal 2022 as compared to ₹ 36.88 Lakhs in the Fiscal 2021. Our deferred tax expenses increased to ₹ 6.30 Lakhs for fiscal 2022 from ₹ 2.04 Lakhs for fiscal 2021.

## Profit after Tax (PAT)

The Company reported Restated profit after tax for the Fiscal 2022 of ₹ 33.76 Lakhs in comparison to ₹ 64.81 Lakhs in the Fiscal 2021 majorly due to factors mentioned above.

## Profit after Tax (PAT)

The Company reported Restated profit after tax for the Fiscal 2021 of ₹ 64.81 Lakhs in comparison to ₹ 39.67 Lakhs in the Fiscal 2020.

## Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

### 1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three (3) years.

### 2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the chapter entitled "**Risk Factors**" beginning on page 23 of this Prospectus. To our knowledge, except as we have described in this Prospectus, there are no known factors which we expect to bring about significant economic changes.

### 3. Income and Sales on account of major product / main activities.

Income and sales of our Company on account of main activities derives from manufacturing and sale of micro irrigation system, comprising of HDPE Pipes, fittings, valves, accessories and allied products.

### 4. Future changes in relationship between costs and revenues

Other than as described in the chapters "**Risk Factors**", "**Business Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 23, 102 and 192 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

### 5. Total turnover of each major industry segment in which the issuer company operated.

The Company is engaged in the business of manufacturing of HDPF Pipes and primarily caters to the micro irrigation system industry. For further information, see "**Restated Financial Information**" on page 153.

### 6. 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 this section, the chapter titled "**Business Overview**" and "**Risk Factors**" beginning on page 102 and 23 of this Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

### 7. Extent to which material increases in net sales or revenue are due to increase in services

Increases in revenues are by and large linked to increases in volume of business.

### 8. Status of any publicly announced new products or business segment.

Our Company has not announced any new services or business segment except as stated in chapter titled "**Business Overview**" on page 102 of this Prospectus.

**9. The extent to which business is seasonal.**

Our Company's business is not seasonal.

**10. Any significant dependence on a single or few suppliers or customers.**

We do not depend on one customer or supplier. For further details, please see chapter titled "*Risk Factor*" on page 23 of this Prospectus.

**11. Competitive conditions.**

Competitive conditions are as described under the Chapters titled "*Industry Overview*" and "*Business Overview*" beginning on pages 94 and 102, respectively of this Prospectus.

**Material developments subsequent to March 31, 2023**

Except as disclosed below and elsewhere in this Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements disclosed in this Prospectus, which materially and adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## FINANCIAL INDEBTNESS

Our Company utilizes various credit facilities from various banks for conducting its business.

Set forth below is a brief summary of all the borrowings of our Company as on August 15, 2023 together with a brief description of certain significant terms of such financing arrangements.

(₹ in Lakhs)

Category of borrowing Secured Loan	Sanctioned Amount as on (₹. in Lakhs)	Outstanding Amount (₹.in million) as on 15.08.2023
HDFC- Overdraft/CC	1200	1180.26
HDFC-Working Capital Term Loan	167.42	71.29
HDFC-Machinery Term Loan	150	106.31
HDFC-Bank Guarantee	200	0.00
HDFC- Letter of Credit	200	0.00
Cholamandalam- Machinery Loan	12	10.51
<b>Total</b>	<b>1929.42</b>	<b>1368.37</b>

### A. Secured Borrowings

#### Terms and Condition of Sanction

Sr. No	Type of Security	Details	Facilities Covered
1.	<b>Hypothecation</b>	<p><b>Security</b> Secured by way of hypothecation of present and future raw material, stock in process, finished goods and receivables/ book debts and other current assets.</p> <p><b>Other Condition</b> Interest Rate is 9.25% 3M T-bill to be linked at time of limit set/ loan booking will be applicable p.a. subject to reset at quarterly intervals. The loan is repayable in 37 equal monthly Installments of Rs. 5,19,474/-.</p>	Term Loan

#### Terms and Condition of Sanction

Sr. No	Type of Security	Details	Facilities Covered
1.	<b>Hypothecation</b>	<p><b>Security</b> Secured by way of hypothecation of plant and machinery purchased from loan.</p> <p><b>Other Condition</b> Interest Rate is 10.00% 3M T-bill to be linked at time of limit set/ loan booking will be applicable p.a. subject to change after one year. The loan is repayable in 62 equal monthly Installments of Rs. 3,00,570/-.</p>	Term Loan

#### Terms and Condition of Sanction

Sr. No	Type of Security	Details	Facilities Covered
1.	<b>Hypothecation</b>	<p><b>Security</b> Secured by way of:</p> <ol style="list-style-type: none"> <li>1. hypothecation of stocks, book debts and all the unencumbered assets including plant and machineries and;</li> <li>2. mortgage of factory land &amp; building situated at R S No. 340/1, Near Sayaji Paper Pvt. Ltd. sakarda raniya road, mouje village Raniya, Savli, Vadodara.</li> </ol> <p><b>Other Condition</b> Cash credit facility is taken at an interest rate of 8.9% 3M T bill to be linked at time of limit set/ loan booking will be applicable per annum</p>	Cash Credit
2.	<b>Guarantee (Collateral)</b>	<p><b>Personal Guarantee of:</b> Directors and Relatives of Director</p>	--

#### Terms and Condition of Sanction

Sr. No	Type of Security	Details	Facilities Covered
1.	<b>Hypothecation</b>	<p><b>Security</b> Secured by way of hypothecation of present and future raw material, stock in process, finished goods and receivables/ book debts and other current assets.</p> <p><b>Other Condition</b> Interest Rate is at 0.75% above EBLR which is presently 7.05% p.a. (w.e.f. 10.04.2020) rising or falling therewith on daily products with monthly rests present effective rate is 7.80% p.a. subject to reset at quarterly intervals. The loan is repayable in 36 equal monthly Installments of Rs. 4,65,083/- (Loan amount of Rs. 167.43 lakhs) after a moratorium of 12 months (total tenor -36 months)</p>	Term Loan

#### Terms and Condition of Sanction

Sr. No	Type of Security	Details	Facilities Covered
1.	<b>Hypothecation</b>	<p><b>Security</b> Secured by way of:</p> <ol style="list-style-type: none"> <li>1. hypothecation of stocks, book debts and all the unencumbered assets including plant and machineries and;</li> <li>2. mortgage of factory land &amp; building situated at R S No. 340/1, Near Sayaji Paper Pvt. Ltd. sakarda raniya road, mouje village Raniya, Savli, Vadodara.</li> </ol> <p><b>Other Condition</b> Cash credit facility is taken at interest of 1.50% above Repo linked lending rate 8% p.a. present effective rate 9.5% p.a. from SBI</p>	Cash Credit
2.	<b>Guarantee (Collateral)</b>	<b>Personal Guarantee of:</b> Directors and Relatives of Director	--

#### B. Unsecured Borrowings

The Company have also availed certain Unsecured Borrowings. Set forth below is a brief summary of Unsecured Borrowings as on August 15, 2023.

(₹ in Lakhs)

Sr. No	Particulars	Amount
1.	From Directors & Relatives	148.96
2.	Unsecured loan from others	34.23
	<b>Total</b>	<b>183.19</b>



## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding, (i) criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) claims related to direct or indirect taxes; or (iv) other material litigation as per the Materiality Policy, in each case involving our Company, Promoters, Directors or Group Companies (collectively, the “Relevant Parties”). Further, there are no (v) disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

*In accordance with the Materiality Policy, all outstanding litigation involving the Relevant Parties, other than (i) criminal litigation, (ii) tax matters, (iii) statutory and regulatory actions, and (iv) disciplinary actions by SEBI or Stock Exchanges in the last five years against Promoters, would be considered ‘material’, if the monetary amount of claim made by or against the Relevant Party in any such outstanding litigation is in excess of 5% of Profit After Tax as per the last audited Financial statements or where the monetary liability is not quantifiable, if the outcome of any such pending litigation may have a bearing on the business, operations, performance, prospects or reputation of our Company (as determined by our Company).*

*Further, there are no: (i) disciplinary actions (including penalties) imposed by SEBI or a recognized, Stock Exchanges against our Promoters in the last five Financial Years immediately preceding the date of this Draft Prospectus, including any outstanding action.*

*It is clarified that for the purposes of the Materiality Policy, pre-litigation notices (other than those issued by governmental, statutory or regulatory, judicial authorities) received by the Relevant Parties shall in any event not be considered as litigation until such time that Relevant Parties are made a party to proceedings initiated before any court, tribunal or governmental, statutory authority or any judicial authority, or is notified by any governmental, statutory or regulatory or any judicial authority of any such proceeding that may be commenced.*

*Except as stated in this section, there are no outstanding Material Dues to creditors of our Company. In terms of the Materiality Policy, our Board, at its meeting held on March 20, 2023 has determined ‘Material Dues’ as outstanding dues to any creditors of our Company if the amount due to any one of them (‘Material Creditor’) exceeds 10% of profit after tax of the Company as per the last restated audited standalone financial statements of the Company for a complete financial year i.e F.Y. 2022-23, included in the Offer Documents The trade payables of our Company, as per the last restated audited financial statements for Financial Year 2022-23 is ₹ 1,344.93 Lakh and accordingly, any outstanding dues exceeding 10% have been considered as material outstanding dues for the purposes of disclosure in this section. Details of Material Dues to creditors as required under the SEBI ICDR Regulations have been disclosed on our website at <https://polysilirrigation.com>. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“MSME”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

*All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of date of this Draft Prospectus*

#### A. LITIGATION INVOLVING OUR COMPANY

##### 1. Litigation against our Company:

##### a) Litigation involving Criminal proceedings:

As on the date of this Prospectus, there are no Outstanding Criminal Litigation initiated against our company except as stated below.

##### **i. Unicoat Polyplast (the Complainant) filed a Complaint (115117 Of 2023) against our Company, Polysil irrigation systems limited and others, before the hon’ble court of addl. metropolitan magistrate Ahmedabad, metro court under section 138 & 141 of negotiable instruments act, 1881.**

Legal notice dated 18/09/2023 duly issued by M/s Unicoat polyplast with respect to cheque bearing no 000640 amounting INR 4,00,000 as given by our company in respect of goods supplied by complainant claiming that the said cheque was subsequently return with written acknowledgement note “exceed arrangement” and basis which a present suit also have been filed under section 138 & 141 of negotiable instruments act, 1881, by Mr. Nitinbhai ishwarbhai patel, Authorized person of M/s Unicoat polyplast before hon’ble Ahmedabad metro court on 25/10/2023 appearing as first date of hearing on 17/02/2024. The matter is still pending under investigation.

##### **ii. Unicoat Polyplast (the Complainant) filed a Complaint (136775 Of 2023) against our Company, Polysil irrigation systems limited and others, before the hon’ble court of addl. metropolitan magistrate Ahmedabad metro court under section 138 & 141 of negotiable instruments act, 1881.**

Legal notice dated 11/10/2023 duly issued by M/s Unicoat polyplast with respect to cheque bearing no 000641 amounting INR 4,24,968 as given by our company in respect of goods supplied by complainant claiming that the said cheque was

subsequently return with written acknowledgement note “fund insufficient” and basis which a present suit also have been filed under section 138 & 141 of negotiable Instruments Act, 1881, by Mr. Nitinbhai Ishwarbhai Patel, Authorized person of M/s Unicoat Polyplast before Hon’ble Ahmedabad\_Metro Court on 01/12/2023 appearing as first date of hearing on 22/03/2024. The matter is still pending under investigation.

**iii. Mr. S.S.PAGAR (The Complainant) has filed a Complaint (351 of 2023) against our company and others before the hon’ble labour court (JD) Vadodara**

As appearing online portal of labour court Vadodara, on 27/07/2023, s.s.pagar (public labour officer “the complainant”) had filed a complaint (351 of 2023) against our company i.e Polysil irrigation systems limited and others (collectively, the accused”) before the hon’ble labour court (JD) Vadodara under section 21, 1 , a of minimum wages act, 1948 on the basis of inspection carried out by him at the factory premises of the company.

The next date of hearing is 02/03/2024. the matter is still pending under investigation before hon’ble labour court (JD) Vadodara.

**iv. Show cause notice bearing nashraaa/vado/14813/2023 dated 31/07/2023 issued against our Company**

Show cause notice bearing nashraaa/vado/14813/2023 dated 31/07/2023 duly issued by Mr. S. S Pagar (Public Labour officer “the Complainant”) against our Company to execute the criminal proceedings under the Payment of Bonus Act,1965 basis on inspection made by Mr. S. S Pagar on 21/06/2023 under the said Payment of Bonus Act, 1965, wherein an inspection report being made on non-compliance during the inspection carried out by him at the Factory premises of the Company.

Further, on demand made against our Company to produce Form A, B, C and D, accounts books, balance sheet for the accounting year 2021-22, wherein our company on account of failure to produce such information leads to Breach of Section 27(4) under payment of Bonus Act, 1965 levying a fine of INR 1000/- OR 6 months imprisonment or both become criminal offense for violation of Section 28 of the payment of Bonus Act 1965. The matter is still pending.

**b) Litigation involving Material Civil proceedings:**

As on the date of this Prospectus, there are no material civil proceedings against our Company.

**c) Outstanding actions by Statutory / Regulatory Authorities:**

As on the date of this Prospectus, there are no actions taken by regulatory and statutory authorities against our Company.

**d) Litigation involving Direct / Indirect Tax matters:**

Income Tax Department, Government of India raised an outstanding demand against Polysil Irrigation System Limited, for the below respective Assessment Years:

Outstanding demand pertains to the AY	Demand raised under section code	Demand Reference No.	Demand raised date	Outstanding demand amount ₹ in lakhs
2015	154	2018201510000011685C	April 04,2018	Negligible -Amount
2020	154	2022202037145679163C	January 10, 2023	₹11.2664(Outstanding Demand) ₹2.8165 (Accrued Interest)
2016	143(3)	2018201637022843156C	June 29,2018	₹0.6755Outstanding Demand)

The Statutory dues above which have not been deposited as on 15 August ,2023 on account of dispute are stated below:

Nature of the statute	Nature of dues	Forum where Disputeis Pending	Period to which the Amount Relates	₹ in Lakhs
The Income Tax, 1961	TDS	CPC - Bangalore	FY * 2022-23	0.10
	TDS	CPC- Bangalore	FY * 2021-22	3.69
	TDS	CPC- Bangalore	FY * 2020-21	1.99
	TDS	CPC - Bangalore	FY * 2019-20	negligible
	TDS	CPC - Bangalore	FY * 2017-18	0.01
	TDS	CPC - Bangalore	FY * 2015-16	0.01
	TDS	CPC - Bangalore	FY * 2014-15	0.43
	TDS	CPC - Bangalore	FY * 2013-14	0.58
	TDS	CPC - Bangalore	FY * 2011-12	negligible
	TDS	CPC - Bangalore	FY * 2010-11	1.19
	TDS	CPC - Bangalore	FY * 2009-10	0.02

e) Other Pending Litigations: Nil

**2. Litigation filed by our Company:**

a) Litigation involving Criminal Laws: Nil

b) Litigation involving Civil Laws: Nil

c) Litigation involving actions by Statutory / Regulatory Authorities: Nil

d) Litigation involving Direct / Indirect Tax matters: Nil

e) Other Pending Litigations: Nil

**B. LITIGATION INVOLVING OUR DIRECTORS (other than individual promoters)**

**1. Litigation against our Directors:**

a) Criminal Proceedings:

- i. Unicoat Polyplast (the Complainant) filed a Complaint (115117 Of 2023) against our Company, Polysil irrigation systems limited and others, before the hon'ble court of addl. metropolitan magistrate Ahmedabad, metro court under section 138 & 141 of negotiable instruments act, 1881.**

Legal notice dated 18/09/2023 duly issued by M/s Unicoat polyplast with respect to cheque bearing no 000640 amounting INR 4,00,000 as given by our company in respect of goods supplied by complainant claiming that the said cheque was subsequently return with written acknowledgement note "exceed arrangement" and basis which a present suit also have been filed under section 138 & 141 of negotiable instruments act, 1881, by Mr. Nitinbhai ishwarbhai patel, Authorized person of M/s Unicoat polyplast before hon'ble Ahmedabad\_metro court on 25/10/2023 appearing as first date of hearing on 17/02/2024. The matter is still pending under investigation.

- ii. Unicoat Polyplast (the Complainant) filed a Complaint (136775 Of 2023) against our Company, Polysil irrigation systems limited and others, before the hon'ble court of addl. metropolitan magistrate Ahmedabad metro court under section 138 & 141 of negotiable instruments act, 1881.**

Legal notice dated 11/10/2023 duly issued by M/s Unicoat polyplast with respect to cheque bearing no 000641 amounting INR 4,24,968 as given by our company in respect of goods supplied by complainant claiming that the said cheque was subsequently return with written acknowledgement note "fund insufficient" and basis which a present suit also have been filed under section 138 & 141 of negotiable Instruments Act, 1881, by Mr. Nitinbhai Ishwarbhai Patel, Authorized person of M/s Unicoat Polyplast before Hon'ble Ahmedabad\_Metro Court on 01/12/2023 appearing as first date of hearing on 22/03/2024. The matter is still pending under investigation.

- iii. Mr. S.S.PAGAR (The Complainant) has filed a Complaint (351 of 2023) against our company and others before the hon'ble labour court (JD) Vadodara**

As appearing online portal of labour court Vadodara, on 27/07/2023, s.s.pagar (public labour officer "the complainant") had filed a complaint (351 of 2023) against our company i.e Polysil irrigation systems limited and others (collectively, the accused") before the hon'ble labour court (JD) Vadodara under section 21, 1 , a of minimum wages act, 1948 on the basis of inspection carried out by him at the factory premises of the company.

The next date of hearing is 02/03/2024. the matter is still pending under investigation before hon'ble labour court (JD) Vadodara.

- iv. Show cause notice bearing nashraaa/vado/14813/2023 dated 31/07/2023 issued against our Company**

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Further, on demand made against our Company to produce Form A, B, C and D, accounts books, balance sheet for the accounting year 2021-22, wherein our company on account of failure to produce such information leads to Breach of Section 27(4) under payment of Bonus Act, 1965 levying a fine of INR 1000/- OR 6 months imprisonment or both become criminal offense for violation of Section 28 of the payment of Bonus Act 1965. The matter is still pending.

b) Litigation involving Civil Laws: Nil

c) Litigation involving actions by Statutory / Regulatory Authorities: Nil

d) Litigation involving Direct / Indirect Tax matters:

i. Anilkumar Radheshyam Singh:

Demand Reference Number – Income Tax Department, Government of India raised an outstanding demand of ₹0.60 Lakhs against Anilkumar Radheshyam Singh for the Assessment Year 2003 under section code 143 (1).

Outstanding demand pertains to the AY	Demand raised under section code	Demand Reference No.	Demand raised date	Outstanding demand amount ₹ in lakhs
2003	143 (1)	2011200351097591264T	March 30, 2005	₹ 0.60-

With regard to the above, it is further to submit that Anilkumar Radheshyam Singh has also submitted a reply on February 03, 2021 towards verification of outstanding demand. The matter is still pending.

ii) Bharatkumar Tulshibhai Patel:

Income Tax Department, Government of India raised an outstanding demand against Bharatkumar Tulsibhai Patel, for the below respective Assessment Years:

Outstanding demand pertains to the AY	Demand raised under section code	Demand Reference No.	Demand raised date	Outstanding demand amount ₹ in lakhs
2016	271(1) (b)	2018201640401559025T	November 19, 2018	Negligible -Amount
2016	144(CPC)	2018201637046584670T	December 26, 2018	₹4.69(Outstanding) Demand)
2016	144(CPC)		December 26, 2018	₹0.22 (Accrued Interest)
2011	154	2015201110000207172T	December 18, 2015	Negligible -Amount
2009	154	2015200910000061475T	December 15, 2015	₹1.16 Final Interest

iii) Prafulbhai Damjibhai Radadia

Demand Reference Number – Income Tax Department, Government of India raised an outstanding demand of ₹0.1409 Lakhs against Prafulbhai Damjibhai Radadia for the Assessment Year 2003 under section code 143 (1).

Outstanding demand pertains to the AY	Demand raised under section code	Demand Reference No.	Demand raised date	Outstanding demand amount ₹ in lakhs
2014	1431a	2015201437028291413T	August 12, 2015	₹ 0.1409

With regard to the above, it is further to submit that Prafulbhai Damjibhai Radadia has submitted a reply towards outstanding demand. The matter is still pending.

e) Other Pending Litigations: Nil

## 2. Litigation filed by our Directors:

a) Litigation involving Criminal Laws: Nil

b) Litigation involving Civil Laws: Nil

c) Litigation involving actions by Statutory/Regulatory Authorities: Nil

d) Litigation involving Direct / Indirect Tax Matters: Nil

e) Others pending litigations: Nil

## C. LITIGATION INVOLVING OUR PROMOTERS

### 1. Litigation against our Promoters :

a) Criminal Proceedings:

- i. Unicoat Polyplast (the Complainant) filed a Complaint (115117 Of 2023) against our Company, Polysil irrigation systems limited and others, before the hon'ble court of addl. metropolitan magistrate Ahmedabad, metro court under section 138 & 141 of negotiable instruments act, 1881.**

Legal notice dated 18/09/2023 duly issued by M/s Unicoat polyplast with respect to cheque bearing no 000640 amounting INR 4,00,000 as given by our company in respect of goods supplied by complainant claiming that the said cheque was subsequently return with written acknowledgement note "exceed arrangement" and basis which a present suit also have been filed under section 138 & 141 of negotiable instruments act, 1881, by Mr. Nitinbhai ishwarbhai patel, Authorized person of M/s Unicoat polyplast before hon'ble Ahmedabad\_metro court on 25/10/2023 appearing as first date of hearing on 17/02/2024. The matter is still pending under investigation.

- ii. Unicoat Polyplast (the Complainant) filed a Complaint (136775 Of 2023) against our Company, Polysil irrigation systems limited and others, before the hon'ble court of addl. metropolitan magistrate Ahmedabad metro court under section 138 & 141 of negotiable instruments act, 1881.**

Legal notice dated 11/10/2023 duly issued by M/s Unicoat polyplast with respect to cheque bearing no 000641 amounting INR 4,24,968 as given by our company in respect of goods supplied by complainant claiming that the said cheque was subsequently return with written acknowledgement note "fund insufficient" and basis which a present suit also have been filed under section 138 & 141 of negotiable Instruments Act, 1881, by Mr. Nitinbhai Ishwarbhai Patel, Authorized person of M/s Unicoat Polyplast before Hon'ble Ahmedabad\_Metro Court on 01/12/2023 appearing as first date of hearing on 22/03/2024. The matter is still pending under investigation.

- iii. Mr. S.S.PAGAR (The Complainant) has filed a Complaint (351 of 2023) against our company and others before the hon'ble labour court (JD) Vadodara**

As appearing online portal of labour court Vadodara, on 27/07/2023, s.s.pagar (public labour officer "the complainant") had filed a complaint (351 of 2023) against our company i.e Polysil irrigation systems limited and others (collectively, the accused") before the hon'ble labour court (JD) Vadodara under section 21, 1 , a of minimum wages act, 1948 on the basis of inspection carried out by him at the factory premises of the company.

The next date of hearing is 02/03/2024. the matter is still pending under investigation before hon'ble labour court (JD) Vadodara.

- iv. Show cause notice bearing nashraaa/vado/14813/2023 dated 31/07/2023 issued against our Company**

Show cause notice bearing nashraaa/vado/14813/2023 dated 31/07/2023 duly issued by Mr. S. S Pagar (Public Labour officer "the Complainant") against our Company to execute the criminal proceedings under the Payment of Bonus Act,1965 basis on inspection made by Mr. S. S Pagar on 21/06/2023 under the said Payment of Bonus Act, 1965, wherein an inspection report being made on non-compliance during the inspection carried out by him at the Factory premises of the Company.

Further, on demand made against our Company to produce Form A, B, C and D, accounts books, balance sheet for the accounting year 2021-22, wherein our company on account of failure to produce such information leads to Breach of Section 27(4) under payment of Bonus Act, 1965 levying a fine of INR 1000/- OR 6 months imprisonment or both become criminal offense for violation of Section 28 of the payment of Bonus Act 1965. The matter is still pending.

- b) Litigation involving Civil Laws: Nil  
 c) Litigation involving actions by statutory or regulatory authorities: Nil  
 d) Litigation involving Direct / Indirect Tax Matters:

- i. Bharatkumar Tulshibhai Patel:

Income Tax Department, Government of India raised an outstanding demand against Bharatkumar Tulsibhai Patel, for the below respective Assessment Years:

Outstanding demand pertains to the AY	Demand raised under section code	Demand Reference No.	Demand raised date	Outstanding demand amount ₹ in lakhs
2016	271(1) (b)	2018201640401559025T	November 19, 2018	Negligible -Amount
2016	144(CPC)	2018201637046584670T	December 26, 2018	₹4.69(Outstanding Demand)
2016	144(CPC)		December 26, 2018	₹0.22 (Accrued Interest)
				₹ 7.67

2011	154	2015201110000207172T	December 18, 2015	Negligible -Amount
2009	154	2015200910000061475T	December 15, 2015	₹1.16 Final Interest

ii) Prafulbhai Damjibhai Radadia

Demand Reference Number – Income Tax Department, Government of India raised an outstanding demand of ₹0.1409 Lakhs against Prafulbhai Damjibhai Radadia for the Assessment Year 2003 under section code 143 (1).

Outstanding demand pertains to the AY	Demand raised under section code	Demand Reference No.	Demand raised date	Outstanding demand amount ₹ in lakhs
2014	1431a	2015201437028291413T	August 12, 2015	₹ 0.1409

With regard to the above, it is further to submit that Prafulbhai Damjibhai Radadia has submitted a reply towards outstanding demand. The matter is still pending.

e) Other Pending Litigations: Nil

2. **Litigation filed by our Promoters:**

a) Litigation involving Criminal Laws: Nil

b) Litigation involving Civil Laws: Nil

c) Litigation involving actions by statutory or regulatory authorities: Nil

d) Litigation involving Direct / Indirect Tax Matters: Nil

e) Other Pending Litigations: Nil

**D. LITIGATION INVOLVING GROUP COMPANIES**

1. **Litigation against our Group Company:**

a) Litigation involving Criminal Laws: Nil

b) Litigation involving Civil Laws: Nil

c) Litigation involving actions by statutory or regulatory authorities: Nil

d) Litigation involving Direct / Indirect Tax Matters: Nil

e) Other Pending Litigations: Nil

2. **Litigation filed by our Group Company:**

a) Litigation involving Criminal Laws: Nil

b) Litigation involving Civil Laws: Nil

c) Litigation involving actions by statutory or regulatory authorities: Nil

d) Litigation involving Direct / Indirect Tax Matters: Nil

e) Other Pending Litigations: Nil

**E. OUTSTANDING DUES TO CREDITORS OF OUR COMPANY**

As of August 15, 2023, we had 201 Creditors. The aggregate amount outstanding to such creditors as on August 15, 2023 was ₹ 1097.47 Lakhs.

As per the Materiality Policy, such list of creditors, who are in excess 10% of the Profit after tax as on March 31, 2023 was ₹ 113.53 Lakhs and accordingly, creditors to whom outstanding dues exceed ₹ 11.35 lakhs have been considered as material creditors for the purposes of disclosure in this Draft Prospectus.

As per the Materiality Policy, the Board deems all creditors above 10% of the profit after tax as per the restated financial statements. As of August 15, 2023, our Company owes the following amounts to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors:

Particulars	Number of creditors	Amount involved in ₹ in Lakhs
Outstanding dues to micro, small and medium enterprises	36	299.31
Material creditors	20	591.35
Other creditors	145	206.81
<b>Total Outstanding Dues</b>	<b>201</b>	<b>1097.47</b>

It is clarified that such details available on our website do not form a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of Information including our Company's Website at <https://polysilirrigation.com/> would be doing so at their own risk.

For further details please refer to the chapter titled "*Restated Financial Statements*" beginning on page 148 of this Prospectus.

**F. MATERIAL DEVELOPMENTS SINCE THE DATE OF THE LAST AUDITED ACCOUNTS:**

Except as mentioned in this Prospectus, to our knowledge no circumstances have arisen since the date of the latest audited financials disclosed in this Prospectus which may materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities within the next 12 months.

**G. OTHER MATERIAL INFORMATIONS:**

**1. Material frauds against our Company:**

There have been no material frauds committed against our Company in the last preceding five years from the date of this Prospectus.

**2. Past cases where penalties imposed:**

There are no past cases in the five (5) years preceding the date of this Prospectus, where penalties were imposed on our Company by concerned authorities.

**3. Past inquiries, inspections and investigations under the Companies Act:**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, in the last five (5) years immediately preceding the year of issue of this Prospectus in the case of our Company.

**4. Details of fines imposed or compounding of offences under the Companies Act in the last five years immediately preceding the year of this Prospectus:**

There have been no fines imposed on our Company or compounding of offences by our Company under the Companies Act in the last five years immediately preceding the date of this Prospectus.

**5. Proceedings initiated against our Company for economic offences:**

There are no pending proceedings initiated against our Company for any economic offences as on the date of this Prospectus.

**6. Outstanding litigation involving any other persons or companies whose outcome could have an adverse effect on our Company:**

There is no outstanding litigation against any other persons or companies whose outcome could have an adverse effect on our Company.

**7. Disciplinary action including penalty imposed by SEBI or stock exchanges against our Company:**

There are no disciplinary actions taken by SEBI or stock exchanges against our Company or its Directors.

**8. Disclosures pertaining to wilful defaulters and fraudulent borrower:**

Neither our Company or the Promoters and nor our Directors are or have been classified as a wilful defaulter or as a fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI.

## GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations and permits issued by relevant Central and State regulatory authorities under various rules and regulations. For details, please refer to the chapter titled “*Key Industry Regulations and Policies*” beginning on page 118 of this Prospectus.

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory, authorities/certification bodies required to undertake the issue or continue our business activities. In view of the approvals listed below, we can undertake the Offer and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Offer or to continue our business activities. 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 the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities. Our Company is engaged in business of Micro Irrigation & HDPE Pipes which require various approvals and / or licenses under various laws, rules and regulations.

The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

### I. APPROVALS FOR THE OFFER

The following approvals have been obtained or will be obtained in connection with the Offer:

1. Our Board of Directors have, pursuant to a resolution passed in its meeting held on July 24, 2023 authorized the Offer subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013
2. The shareholders of our Company have, pursuant to a special resolution passed in the Extraordinary general meeting of our Company held on August 17, 2023, authorized the Offer under Section 62(1)(c) of the Companies Act, 2013;
3. Our Company shall obtain in-principle approval from the stock exchange for the listing of our Equity Shares pursuant to letter dated January 05, 2024 bearing reference no. NSE/LIST/2707.

### II. CORPORATE APPROVALS

- a. Certificate of Incorporation dated October 09, 1985 issued to our Company by the Registrar of Companies, Mumbai in the name of “*Silvasa Poly-Tex Industries (India) Private Limited*”
- b. Certificate of Incorporation dated July 11, 1996 issued pursuant to the change in name of the Company to “*Silvasa Pipes Private Limited*” by the Registrar of Companies, Mumbai, Maharashtra.
- c. Fresh Certificate of Incorporation dated January 03, 2011 issued pursuant to the change in name of the Company to “*Polysil Irrigation Systems Private Limited*” by the Registrar of Companies, Mumbai, Maharashtra.
- d. Certificate of Registration of Regional Director dated November 18, 2021 issued pursuant to order for change of State to “*Polysil Irrigation Systems Private Limited*” by the Registrar of Companies, Ahmedabad, Gujarat.
- e. Fresh Certificate of Incorporation dated December 27, 2022 issued pursuant to conversion from Private Company to Public Company to “*Polysil Irrigation Systems Limited*” by the Registrar of Companies, Ahmedabad, Gujarat.
- f. The Company’s Corporate Identification Number (CIN) is U17100GJ1985PLC127398

### III. AGREEMENTS WITH NSDL AND CDSL

- a. The Company has entered into an agreement dated January 13, 2023, with the Central Depositories Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- b. The Company has entered into an agreement dated January 21, 2023 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- c. The Company’s International Securities Identification Number (“ISIN”) is INE517M01028.



#### IV. TAX RELATED APPROVALS

Sr. No	Description	Authority	Registration No.	Date of Issue	Date of Expiry
1	Permanent account number (PAN)	Income Tax Department, Government of India	AABCS6756K	February 07, 2023	Valid until cancel
2	Tax deduction account number	Income Tax Department, Government of India	BRDP06902A	-April 20, 2023	Valid until cancel
3	GST Registration Certificate for Haryana	Government Of India	06AABCS6756K1ZZ	February 23, 2023	Valid until cancel
4	GST Registration Certificate for Tamil Nadu	Tamil Nadu Goods and Services Tax Act, 2017	33AABCS6756K1Z2	March 01, 2023	Valid until cancel
5	GST Registration Certificate for Gujarat	Gujarat Goods and Services Tax Act, 2017	24AABCS6756K1Z1	March 17, 2023	Valid until cancel
6	GST Registration Certificate for Madhya Pradesh	Centre Goods and Services Tax Act, 2017	23AABCS6756K1Z3	February 13, 2023	Valid until cancel
7	GST Registration Certificate for Maharashtra	Maharashtra Goods and Services Tax Act, 2017	27AABCS6756K2ZU	February 09, 2023	Valid until cancel
8	Professional Tax Certificate	Gujarat Goods and Service Tax	PEW21013303	May 02, 2014	Valid until cancel
9	Professional Tax Certificate	Gujarat Goods and Service Tax	PRCO21003158	May 02, 2014	Valid until cancel

#### V. BUSINESS AND LABOUR RELATED APPROVALS/ REGISTRATION/ CERTIFICATES

Our Company requires various other approvals to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals will be submitted in accordance with applicable procedures and requirements as and when required.

Sr. No.	Description	Authority	Registration No. /License No./ Certificate No.	Date of Issue/Renewal	Validity Date
1.	Factory License	Directorate Industrial Safety & Health, Gujarat state	32604	June 06, 2023	December 31, 2028
2.	Consents for the use of outlet for discharge of trade effluent and emission due to operation of industrial plant for manufacture	Gujarat Pollution Control Board	W-29110	April 26, 2018	March 31, 2028
3.	IS 4984:2016 for Polyethylene Pipes for water supplies	Bureau of Indian Standards	7300112492	January 17, 2022	January 16, 2025
4.	IS 13487:1992 for Irrigation Equipments – Emitters	Bureau of Indian Standards	3661665	September 21, 2022	September 26, 2024
5.	IS 13488:2008 for Irrigation Equipment – emitting Pipes System	Bureau of Indian Standards	3661463	September 21, 2022	September 26, 2024
6.	Udyam Registration Certificate	Ministry of Micro, Small and Medium Enterprises	UDYAM-GJ-24-0005719	September 30, 2020	Valid until cancel

7.	Udyog Aadhar Registration Certificate	Ministry of Micro, Small and Medium Enterprises	GJ24B0018644	November 21, 2017	Valid until cancel
8.	IS 12786:1989 for Irrigation Equipment Polyethylene Pipes for Irrigation Laterals	Bureau of Indian Standards	3661564	December 18, 2023	September 26, 2024
9.	IS 17425:2020 for Irrigation Equipment – Sprinkler Pipes Polyethylene Pipes and fittings for Sprinkler Irrigation Systems	Bureau of Indian Standards	7983307	November 08, 2023	September 26, 2024
10.	Professional Tax Payer Enrolment Certificate (PTEC) *	Vadodara Municipal Corporation	PEC021013303	May 02, 2014	Valid until cancel
11.	Professional Tax Payer Registration Certificate (PTRC) *	Vadodara Municipal Corporation	PRCO21003158	May 02, 2014	Valid until cancel
12.	Employees' Provident fund*	Employees Provident Fund Organization	VDBRD1724800000	May 31, 2023	Valid until cancel
13.	ESIC Certificate*	Employees' State Insurance Corporation	38000460590000999	March 16, 2019	Valid until cancel

*\*The Certificate is in the name of Polysil Irrigation Systems Private Limited, the same is applied in the name of the Polysil Irrigation Systems Limited and which is under process.*

#### VI. INTELLECTUAL PROPERTY APPROVAL

As on the date of this Prospectus, the Company has not applied for intellectual property trademark registration:

#### VII. KEY APPROVALS THAT HAVE EXPIRED AND FOR WHICH RENEWAL APPLICATIONS HAVE BEEN MADE:

There are no such key approvals which have expired and for which renewal applications have been made as on the date of this Prospectus except below mentioned.

Sr. No.	Description	Authority	Registration No. /License No./ Certificate No.	Date of Issue/	Current Status
1.	Importer - Exporter Code	Ministry of Commerce and Industry Directorate General of Foreign Trade	0300019416	July 07, 2000	"Deactivated" as appearing on www.dgft.gov.i

#### VIII. KEY APPROVALS APPLIED FOR BY OUR COMPANY BUT NOT RECEIVED

There are no such key approvals Applied by our company on the date of this Prospectus

#### IX. KEY APPROVALS REQUIRED BUT NOT OBTAINED OR APPLIED FOR BY OUR COMPANY

There are no such key approvals required but not obtained or applied for as on the date of this Prospectus.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE OFFER

The Offer has been authorised by a resolution of the Board of Directors passed at their meeting held on July 24, 2023 subject to the approval of shareholders of our Company through a special resolution to be passed, pursuant to Section 62(1) (c) of the Companies Act, 2013.

The members of our Company have approved this Offer by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM of our Company held on August 17, 2023.

Our Board has approved the Draft Prospectus through its resolution dated August 29, 2023.

Our Board has approved this Prospectus through its resolution dated February 01, 2024.

We have received In-Principle Approval from EMERGE Platform of National Stock Exchange of India Limited vide their letter dated January 05, 2024 to use the name of National Stock Exchange of India Limited in the Prospectus for listing of our Equity Shares on EMERGE Platform of National Stock Exchange of India Limited. National Stock Exchange of India Limited is the Designated Stock Exchange.

### PROHIBITION BY SEBI

Our Company, Promoters, Promoter Group, Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

### ASSOCIATION WITH SECURITIES MARKET

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

### PROHIBITION BY RBI

Neither our Company, our Promoters, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter or a fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 203 of this Prospectus.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, Promoters and members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 as amended ("**SBO Rules**"), to the extent applicable to each of them as on the date of this Prospectus.

### ELIGIBILITY FOR THE OFFER

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2018; and this Offer is an "Initial Public Issue" in terms of the SEBI (ICDR) Regulations, 2018.

Our Company is eligible for the Offer in accordance with Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post-Offer paid up capital is more ten crores and less than twenty-five crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**"), in this case being the Emerge Platform of NSE India. Our Company also complies with eligibility conditions laid by Emerge Platform of NSE India for listing of Equity Shares.

Further, there has been delayed in the payment of loans/borrowing availed by our Promoter namely Bharatkumar Patel for the last three fiscal years. For more details, please refer to chapter titled "*Our Management*" beginning on page 133 of the Prospectus.

### We confirm that:

- a. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, 2018, the Lead Manager shall ensure that the Issuer shall file copy of the Draft Prospectus / Prospectus with SEBI along with Due Diligence certificate including additional confirmations as required at the time of filing the Draft Prospectus / Prospectus to SEBI.

- b. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Offer has been one hundred (100) percent underwritten and that the Lead Manager to the Offer has underwritten at least 15% of the Total Offer Size. For further details pertaining to said underwriting please see “**General Information**” on page 54 of this Prospectus.
- c. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Offer is greater than or equal to fifty, and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Applicants, in accordance with the SEBI ICDR Regulations and applicable law
- d. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Offer. For further details of the arrangement of market making please see “**General Information**” on page 54 of this Prospectus.

**We further confirm that we shall be complying with all the other requirements as laid down for such an Offer under Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.**

Our Company is also eligible for the Offer in accordance with eligibility norms for Listing on Emerge Platform of NSE India which states as follows:

*In terms of Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for Emerge Platform of NSE India, which are as under*

**1. The issuer should be a Company incorporated Under Companies Act, 1956/2013**

Our Company is incorporated under the Companies Act, 1956 on October 09, 1985.

**2. The post issue paid up capital of the Company (face value) shall not be more than ₹ 25 crores.**

The post issue paid up capital of the Company shall not be more than ₹25 crores.

**3. Track Record**

Our Company was incorporated on October 09, 1985 and has a track record of at least 3 years as on the date of filing Prospectus.

(₹ in Lakhs)

Particulars	As on August 15, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Net Profit as per Restated Financial Statement	110.31	113.53	33.75	64.81

**4. The Company/entity should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive**

**Cash Accruals**

(₹ in Lakhs)

Particulars	As on August 15, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Profit Before Tax as per Restated Financial Statements	173.48	265.04	68.29	103.85
Add: Depreciation and Amortization	27.51	52.58	72.97	101.13
Add: Interest	56.55	149.22	148.95	113.64
Less: Other Income	1.00	4.83	4.94	12.78
Operating Profit (Earnings before Interest, Depreciation and Tax) from Operation	256.54	462.01	285.27	305.83

**Net Worth**

Particulars	As on August 15, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Networth as per Restated Financial Statement	1646.02	1535.71	1372.06	1338.31

5. Our net tangible assets as on August 15, 2023 is ₹ 1448.86 (in Lakhs)

**6. The Company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company's shares bear an ISIN No: INE517M01028

**7. Company shall mandatorily have a website.**

Our Company has a live and operational website <https://polysilirrigation.com/>.

**8. Other Listing Condition:**

- a) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- b) There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.
- c) There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to NSE India for listing on Emerge Platform of NSE India.
- d) No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
- e) Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
- f) None of the Directors of our Company have been categorized as a Willful Defaulter or fraudulent borrowers.
- g) The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the Emerge Platform of the NSE India.

**SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS / PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS / PROSPECTUS. THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS / PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS / PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 29, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT PROSPECTUS / PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO, TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS AND PROSPECTUS.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS OFFER WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26 OF THE COMPANIES ACT, 2013.**

**DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of the above-mentioned entities and that anyone placing on any other source of information, including our website: <https://polysilirrigation.com/>, [www.fedsec.in](http://www.fedsec.in) would be doing so at his or her own risk.

None amongst our Company is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Applications Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Offer is being made in India to persons resident in India including Indian Nationals Resident in India who are not 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 the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII Sub - Account registered with SEBI which is a Foreign Corporate or Foreign Individual, Permitted Insurance Companies and Pension Funds and to FIIs and Eligible NRIs. This Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Ahmedabad, Gujarat, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE INDIA**

"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/2707 dated January 05, 2024, 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 U.S. SECURITIES ACT.**

*The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act).*

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the



registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## **LISTING**

Our Company has obtained In-Principle Approval from NSE India vide letter dated January 05, 2024 to use name of NSE India in this offer document for listing of equity shares on Emerge Platform of NSE India. In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is requirement of obtaining In-principle approval from Emerge Platform of NSE India. Application will be made to the Emerge Platform of NSE India for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of NSE India, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within such time prescribed by SEBI or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of the NSE India mentioned above are taken within Six Working Days from the Offer Closing Date.

## **CONSENTS**

The written consents of our Promoters, Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Reviewed Auditor, Legal Advisor to the Legal Chapters, Bankers to our Company, Lead Manager, Registrar to the Offer, Underwriter, Market Maker, Banker to Offer and Sponsor Bank to act in their respective capacities will be obtained and will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, Peer Review Auditors, of the Company have agreed to provide their written consent to include their report, restated financial statements and statutory auditor provided their written consent to include their report statement of Tax Benefits dated January 24, 2024, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

## **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Fedex Securities Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Lead Manager at [www.fedsec.in](http://www.fedsec.in).

[Fedex Securities Private Limited had filed Draft Red Herring Prospectus of Mukka Proteins Limited dated June 14, 2023 \("DRHP"\) filed with the Securities and Exchange Board of India \("SEBI"\), we had received for inprinciple approval.](#)

## Annexure A

## DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED

TABLE 1

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
<b>MAINBOARD IPOs</b>								
-	-	-	-	-	-	-	-	-
<b>SME IPOs</b>								
1.	Lead Reclaim and Rubber Products Limited	4.88	25.00	February 21, 2023	27.50	27.80% (-3.79%)	131.20% 2.74%	95.00% 8.79%
2.	Pattech Fitwell Tube Components Limited	12.00	50.00	April 21, 2023	55.00	52.00% 3.29%	27.90% (12.53%)	20.00% 12.41%
3.	Yasons Chemex Care Limited	20.57	40.00	August 03, 2023	32.00	(8.00%) (0.28%)	(28.88%) (-1.56%)	(22.00%) 12.16%
4.	Pramara Promotions Limited	15.27	63.00	September 13, 2023	111.00	39.68% (1.38%)	53.97% 4.62%	Not Applicable
5.	Kundan Edifice Limited	25.22	91.00	September 26, 2023	75.00	(23.13%) (2.76%)	163.41% 9.03%	Not Applicable
6.	Oneclick Logistics India Limited	9.90	99.00	October 11, 2023	140.00	(30.91%) (2.10%)	(21.87%) 8.59%	Not Applicable
7.	Sharp Chucks and Machines Limited	16.84	58.00	October 12, 2023	66.00	43.71% (1.86%)	26.64% 8.85%	Not Applicable
8.	Committed Cargo Care Limited	24.94	77.00	October 18, 2023	82.00	(11.95%) 0.48%	(21.30%) 12.33%	Not Applicable
9.	KK Shah Hospital	8.78	45.00	November 6, 2023	56.10	84.00% 6.68%	Not Applicable	Not Applicable
10.	IBL Finance Limited	33.40	51	January 16, 2024	56.00	Not Applicable	Not Applicable	Not Applicable

Sources: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)**Notes:**

1. Opening price information as disclosed on the website of the Designated Stock Exchange.



2. Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
3. For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
4. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
5. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
6. This disclosure is restricted to last 10 issues handled by the Lead Manager.

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial year	Total no. of IPO	Total funds Raised (₹. Cr)	Nos of IPOs trading at discount on 30 <sup>th</sup> Calendar Day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar Day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar Day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar Day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less Than 25%
2020-21	*2	49.64	-	-	1	-	-	1	-	-	1	1	-	-
2021-22	**5	153.99	1	-	2	1	-	1	1	1	-	-	1	2
2022-23	***7	131.26	-	1	1	1	2	2	-	-	4	2	-	1
2023-24	****9	166.92	-	1	3	2	2	-	-	-	1	-	-	1

\*The script of Atam Valves Limited and Rangoli Tradecomm Limited were listed on October 06, 2020 and March 22, 2021 respectively.

\*\* The script of Rajeshwari Cans Limited, Kuberan Global Edu Solutions Limited, Aashka Hospitals Limited, Euro Panel Products Limited and Wherrelz IT Solutions Limited were listed on April 15, 2021, May 05, 2021, September 01, 2021, December 24, 2021 and December 29, 2021 respectively.

\*\*\* The scripts of Sunrise Efficient Marketing Limited, Le Merite Exports Limited, Kesar India Limited, Virtuoso Optoelectronics Limited, Tapi Fruit Processing Limited, Moxsh Overseas Educon Limited and Lead Reclaim and Rubber Products Limited were listed on April 12, 2022, May 09, 2022, July 12, 2022, September 15, 2022, September 22, 2022, December 30, 2022 and February 21, 2023 respectively.

\*\*\*\* The scripts of Pattech Fitwell Tube Components Limited, Yasons Chemex Care Limited, Pramara Promotions Limited were listed April 21, 2023, August 03, 2023. The scripts of Kundan Edifice Limited, Oneclick Logistics India Limited, Sharp Chucks and Machines Limited, Committed Cargo Care Limited, September 13, 2023, September 26, 2023, October 11, 2023, October 12, 2023 and October 18, 2023, respectively, and have not completed 180 calendar days. The scripts of KK shah Hospitals and IBL Finance Limited were listed on November 6, 2023 and January 16, 2024 respectively, and have not completed 90 calendar days and 30 calendar days respectively.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided. Track Record of past issues handled by Fedex Securities Private Limited.

## **EXPERT OPINION**

### **Except for**

- (a) Peer Review Auditors' reports dated January 29, 2024 on the Restated Financial Statements by Ratan Chandak & Co., Chartered Accountants;
- (b) Statement of Tax Benefits dated January 24, 2024 by Ratan Chandak & Co., Chartered Accountants;
- (c) Consent dated January 29, 2024 from Ramesh V. Vaghela, Chartered Engineer to the extent and in their capacity as an independent chartered engineer

## **PREVIOUS PUBLIC OR RIGHTS ISSUE**

Except as stated in the chapter titled "*Capital Structure*" beginning on page 63 of this Prospectus, we have not made any previous rights and / or public issues during the last Five (5) years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations.

## **COMMISSION OR BROKERAGE**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

## **CAPITAL ISSUE DURING THE PREVIOUS THREE (3) YEARS BY ISSUER, LISTED GROUP COMPANIES AND SUBSIDIARIES OF OUR COMPANY**

Except as disclosed in Chapter titled "*Capital Structure*" on page 63 and below, our Company has not made any capital issue during the previous three (3) years. Further Our Company do not have any listed group Companies/ Subsidiaries / Associates.

## **PERFORMANCE VIS-À-VIS objects;**

Except as stated in the chapter titled "*Capital Structure*" beginning on page 63 of this Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Offer is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

None of our Group Companies have their equity shares listed on any stock exchange.

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The agreement between the Registrar to the Offer and our Company provides for the retention of records with the Registrar to the Offer for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Offer with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

SEBI, by way of its circular dated March 16, 2021 as amended by its circulars dated June 2, 2021 and April 20, 2022, has identified the need to put in place measures, in order to streamline the processing of ASBA applications through the UPI Mechanism and redressal of investor grievances arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Applicants for blocking of funds due to systemic issues faced by Designated Intermediaries / SCSBs and failure to unblock funds in cases of partial allotment / non allotment within prescribed timelines and procedures. Pursuant to the circular dated March 16, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks / unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid / Batch; and (v) mandating SCSBs to ensure that the unblock process

for non-allotted / partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

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, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid / Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular 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 of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. The following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Managers shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The processing fees for applications made by UPI Applicants 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/2021/2480/1/M dated March 16, 2021 read with 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.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

#### **Disposal of Investor Grievances by our Company**

Our Company will obtain authentication on the SCORES in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI Circular (CIR/OIAE/1/2014) dated December 18, 2014, and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be ten (10 working days) from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on March 02, 2023 comprising of Bipinkumar Hirpara as the Chairman, Mona Patel and Bharatkumar Patel as members. For further details, please refer the chapter titled “*Our Management*” on page 133 of Prospectus.

Our Company has also appointed Neha Gupta as the Company Secretary and Compliance Officer of our Company, for this Offer she may be contacted in case of any pre- Offer or post- Offer related problems at the following address:

**POLYSIL IRRIGATION SYSTEMS LIMITED**

Survey No- 340/1, Beside Hystuff Steel,

At Post Raniya, Taluka Savli,

District Vadodara, Raniya Taluka Savli,

Vadodara, Gujarat, India, 391780

**Tel No:** +91 90884 66004

**Email:** [secretarial@polysilirrigation.com](mailto:secretarial@polysilirrigation.com)

**Website:** <https://polysilirrigation.com/>

**STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

**Exemptions from complying with any provision of securities laws, if any, granted by SEBI**

Our Company has not been applied for an exemption from complying with any provisions of securities laws by SEBI.

## SECTION VIII – OFFER INFORMATION

### TERMS OF OFFER

The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, our Memorandum and Articles of Association, SEBI Listing Regulation, the terms of this Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Offer of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, ROC and/or other authorities, as in force on the date of the Offer and to the extent applicable. Further vide the said circular Registrar to the Offer and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Offer and Depository Participants as and when the same is made available.

Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circular”) in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+3 days until March 31, 2020 (“UPI Phase II”). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures as may be prescribed by the SEBI from time to time. Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

#### Authority for the Offer

The present Public offer of 32,28,000 Equity Shares includes a Fresh Issue of 14,44,000 Equity shares and an offer for sale by the Selling Shareholders of 17,84,000 equity shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on July 24, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on August 17, 2023 in accordance with the provisions of Sections 23(1)(a), 62(1)(c) other applicable provisions, if any, of the Companies Act, 2013.

The Offer for Sale has been authorized by the Selling Shareholders by their consent letters dated July 07, 2023.

Sr. No.	Name of the Selling Shareholder	Date of Consent Letter	No. of Equity Shares	Amount (₹ in Lakhs)
1	Satishkumar Maniya	July 07, 2023	6,30,000	340.20
2	Sunilkumar Shah	July 07, 2023	6,30,000	340.20
3	Rameshbhai Kakadiya	July 07, 2023	5,24,000	282.96

#### Ranking of Equity Shares

The Equity Shares being issued and transferred in the offer shall be subject to the provisions of the Companies Act 2013 and our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the chapter titled “Main Provisions of the Articles of Association” beginning on page 260 of this Prospectus.

## **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to chapters titled "**Dividend Policy**" and "**Main Provisions of Articles of Association**" beginning on pages 152 and 260 respectively of this Prospectus.

## **Face Value and Offer Price**

*The face value of the Equity Shares is ₹ 10.00/- each and the Offer Price is ₹ 54/- per Equity Share (including premium of ₹ 44/- per Equity Share).*

The Offer Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "**Basis for Offer Price**" beginning on page 83 of this Prospectus.

At any given point of time there shall be only one denomination for the Equity Shares.

## **Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all requirements of the SEBI ICDR Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy in accordance with the provisions of the Companies Act, 2013;
- Right to receive offer/ issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the chapter titled "**Main Provisions of Articles of Association**" beginning on page 260 of this Prospectus.

## **Minimum Application Value; Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 2000 Equity Shares and the same may be modified by the NSE EMERGE (SME Platform of NSE) from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 2000 Equity Shares and is subject to a minimum allotment of 2000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

## **Minimum Number of Allottees**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be fifty (50) shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and all the monies blocked by the SCSBs shall be unblocked within Two (2) working days of closure of Offer.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Vadodara, Gujarat, India.



The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first applicant, along with other joint applicant, may nominate any one (1) person in whom, in the event of the death of sole applicant or in case of Joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### **Period of Operation of Subscription List of Public Offer**

<b>Offer Opening Date</b>	Thursday, February 08, 2024
<b>Offer Closing Date</b>	Tuesday, February 13, 2024

<b>Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)</b>	Wednesday, February 14, 2024
<b>Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account* (T+2)</b>	Thursday, February 15, 2024
<b>Credit of Equity Shares to Demat Accounts of Allottees (T+2)</b>	Thursday, February 15, 2024
<b>Commencement of Trading of The Equity Shares on the Stock Exchange (T+3)</b>	Friday, February 16, 2024

- In terms of Regulation 265 of ICDR Regulations, the issue shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.
- In terms of Regulation 266 (3) of ICDR Regulations, in case of force majeure, banking strike or similar circumstances or for reason considered necessary by our Company, our Company may, for reasons to be recorded in writing, extend the Issue Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days

it is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs, or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may, be would be rejected.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant will be compensated at a uniform rate of ₹100 per day or 15% per annum of the application amount, whichever is higher, from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges platform up to the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant will be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount, except the original application amount, whichever is higher from the date on which such multiple amounts were blocked up to the date of actual unblock; (iii) any blocking of amounts more than the application amount, the Applicant will be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked up to the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding prescribed Days from the Issue Closing Date, the Applicant will be compensated at a uniform rate of ₹100 per day or 15% per annum of the application amount, whichever is higher for the entire duration of delay exceeding prescribed Days from the Issue Closing Date, by the SCSB responsible for causing such delay in unblocking. The Lead Manager will be liable to compensate the Applicant at a uniform rate of ₹100 per day or 15% per annum of the application amount, whichever is higher from the date of receipt of the Investor grievance up to the date on which the blocked amounts are unblocked. The Applicant will be compensated in the manner specified in the SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and 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, as amended pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which for the avoidance of doubt, will be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The processing fees for applications made by a UPI Applicant for an amount of more than ₹2 lakhs and up to ₹5 lakhs using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

**The above timetable, other than the Issue Closing Date, is indicative and does not constitute any obligation on our Company or the Lead Manager**

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on NSE Emerge Platform are taken within six (6) Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from Emerge Platform of NSE Limited. The Commencement of trading of the Equity Shares will be entirely at the discretion of NSE Limited and in accordance with the applicable laws.

**SEBI is in the process of streamlining and reducing the post offer timeline for IPOs. Any circular or notification from SEBI after the date of this Prospectus may result in changes to the abovementioned timelines. Further, the issue procedure is subject to change basis any revised SEBI circulars to this effect.**

#### **Submission of Application Forms:**

<b>Offer period (except the Offer Closing Date)</b>	
Submission and Revision of Application Form	Only between 10.00 a.m. to 5.00 p.m. IST
<b>Offer Closing Date</b>	



***On the Offer Closing Date, the Applications shall be uploaded until:***

1. 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and
2. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by LM to the Stock Exchange.

Due to limitation of time available for uploading the application forms on the Offer Closing Date, Applicants are advised to submit their applications one (1) day prior to the Offer Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Offer Closing Date. Any time mentioned in the Prospectus are Indian Standard Time (IST). Applicants are cautioned that, in the event a large number of Application Forms are received on the Offer Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

The Designated Intermediaries are given until 5:00 pm on the Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Applications and any revision in Applications shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA applicants shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. None among our Company or Lead Manager is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

The above timetable is indicative and does not constitute any obligation or liability on our Company, our Promoter or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three (3) Working Days from the Offer Closing Date or such period as may be prescribed, with reasonable support and co-operation of the Promoter, as may be required in respect of its respective portion of the Offered Shares, the timetable may change due to various factors, such as extension of the Issue Period by our Board, as applicable, in consultation with the Lead Manager. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoter confirms that it shall extend such reasonable support and co-operation in relation to its respective portion of the Offered Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within Three Working Days from the Offer Closing Date or such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the Lead Manager will submit reports of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Two (2) Working Days from the Offer Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding prescribed Days from the Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Prospectus/ Prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change basis any revised SEBI circulars to this effect.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding two Working Days from the Offer Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding the prescribed days from the Offer Closing Date by the SCSB responsible for causing

such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

**SEBI has streamlined the process and reduced the post issue timeline for initial public offers and has vide SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 notified the proposal for reducing the time period for listing of shares in public issue from existing 6 days to 3 days. The revised timeline of T+3 days has been made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Any circulars or notifications from SEBI after this Prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change based on any revised SEBI circulars to this effect.**

**It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.**

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Offer) period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the Offer Period not exceeding ten (10) working days.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Offer will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from Emerge Platform of NSE Limited may be taken as the final data for the purpose of Allotment.

#### **Minimum Subscription**

*In accordance with Regulation 260(1) of the SEBI ICDR Regulations, our Fresh Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.*

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond the prescribed days, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest as prescribed under applicable law.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. Subject to any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be first made towards the Fresh Issue and subsequently, in respect of the Offered Shares pursuant to the Offer for Sale on a pro-rata basis in a manner proportionate to the respective portion of the Offered Shares of each Selling Shareholder.

Further, in accordance with the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 50, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Applicants. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company and the Selling Shareholders shall be liable to pay interest on the application money in accordance with applicable laws.

The Selling Shareholders shall reimburse any expenses and interest incurred by our Company on behalf of them for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Selling Shareholders and any expenses and interest shall be paid to the extent of their respective portion of the Offered Shares

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within two days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within prescribed days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the prescribed time period, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In accordance with SEBI ICDR Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the amounts in the ASBA Account shall be unblocked forthwith.

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.

#### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 2000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

#### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **As per the extent Guidelines of the Government of India, OCBs cannot participate in this Offer.**

The current provisions of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the Pre-Offer Equity Shares and Promoter minimum contribution in the Offer as detailed in the chapter titled "**Capital Structure**" beginning on page 63 of this Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer chapter titled "**Main Provisions of the Articles of Association**" on page 260 of this Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

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

The Company may be migrated to Main Board pursuant to Regulation 277 of the SEBI (ICDR) Regulation and in accordance to that Securities Exchange Board of India (SEBI) vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010 has stipulated the requirements for migration from SME platform to main board.

The migration policy of NSE was intimated vide circular Download Ref. No.: NSE/SME/26110 dated March 10, 2014, further revised vide circular Download Ref. No. NSE/SME/37551 dated April 18, 2018 and NSE/SME/47077 dated January 21, 2021 and NSE/SME/56427 dated April 20, 2023. The migration eligibility of NSE is notified on <https://www.nseindia.com/resources/exchange-communication-circulars> and as amended time to time.

#### **MARKET MAKING**

The shares offered through this Offer are proposed to be listed on the SME platform of NSE, wherein the Lead Manager to this Offer shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE. For further details of the agreement entered into between the

Company, the Lead Manager and the Market Maker, please refer the chapter titled “**General Information**” beginning on page 54 of this Prospectus.

### **New Financial Instruments**

Our Company is not issuing any new financial instruments through this Offer.

### **Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the ROC, publish a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in (i) All Editions of English National Newspaper; (ii) All editions of Hindi National Newspaper and (iii) Gujarat edition of Regional Newspaper, each with wide circulation. In the pre- Offer advertisement, we shall state the Offer Opening Date and the Offer Closing Date and the Offer Price along with necessary details subject to Regulation 250 of SEBI ICDR Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

### **Withdrawal of the Offer**

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

If our Company withdraws the Offer any time after the Offer Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Offer Closing Date, providing reasons for not proceeding with the Offer. The notice of withdrawal will be issued in the same newspapers where the pre- Offer advertisements have appeared, and the Stock Exchange will also be informed promptly. The Lead Manager, through the Registrar to the Offer, will instruct the SCSBs and Sponsor Bank (in case of RII’s using the UPI Mechanism), to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction.

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

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

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue Face value capital is less than to ₹ 25 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge Platform of NSE). For further details regarding the salient features and terms of such an issue please refer to the chapters titled “*Terms of the Offer*” and “*Offer Procedure*” beginning on pages 223 and 233 respectively of this Prospectus.

This Offer comprise of upto 32,28,000 Equity Shares of Face Value of ₹ 10 each fully paid (The “Equity Shares”) for cash at a price of ₹ 54 per Equity Share (including a premium of 44 per Equity Share) aggregating to 1743.12 Lakhs (“the Offer”) comprising a Fresh Issue of 14,44,000 Equity Shares aggregating ₹ 779.76 Lakhs by our Company and an Offer for Sale of upto 17,84,000 Equity Shares aggregating ₹ 963.36 Lakhs by the Selling Shareholders. The Offer includes a reservation of 1,64,000 equity shares aggregating up to ₹ 88.56 lakhs for subscription by Market Maker (“Market Maker Reservation Portion”). The Offer less the Market Maker Reservation Portion is hereinafter referred to as the “Net Offer”. The Offer and the Net Offer will constitute 24.59% and 23.34% respectively of the post Offer paid up Equity Share Capital of the Company.

Particulars	Net Issue to Public	Market Maker Reservation Portion
<b>Number of Equity Shares</b>	30,64,000*	1,64,000
<b>Percentage of Issue Size available for allocation</b>	94.92%	5.08%
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of 2000 Equity Shares and Further allotment in multiples of 2000 Equity Shares each.	Firm Allotment
<b>Mode of Application</b>	Retail Individual Investor may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI ID) shall apply through ASBA process only.	Through ASBA mode Only.
<b>Minimum Application Size</b>	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 2000 Equity Shares such that the Application Value exceeds ₹ 2,00,000 <b>For Retail Individuals:</b> Such number of equity shares where application size is of at least 2000 Equity Shares.	1,64,000 Equity Shares
<b>Maximum Bid</b>	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 2000 Equity Shares such that the Application Size does not exceed the Net Issue. <b>For Retail Individuals:</b> Such number of equity Shares so that the Application Value does not exceed ₹ 2,00,000/-	1,64,000 Equity Shares
<b>Mode of Allotment</b>	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
<b>Trading Lot</b>	2000 Equity Shares	2000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
<b>Terms of payment</b>	In case of ASBA, the entire application amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant.	

\* 50 % of the shares offered in the Net Offer to Public portion are reserved for applications whose value is below ₹ 2,00,000 and the balance 50 % of the shares are available for applications whose value is above ₹ 2,00,000.

This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to the chapter titled “*Offer Structure*” on page 231 of this Prospectus.

(1) Since present Offer is a fixed price Offer, the allocation in the Net Offer to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

a) Minimum fifty per cent to retail individual investors; and

b) Remaining to:

(i) individual applicants other than retail individual investors; and

(ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

*(2) In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB.*

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

*Note:*

1. *In case of joint application, the Application Form should contain only the name of First Applicant whose name should also appear as the first holder of beneficiary account held in joint names. The signature of only such First Applicant would be Required in the Application Form and such First Applicant would be deemed to have signed on behalf of joint holders.*
2. *Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Offer.*
3. *SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB.*

*This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details please refer chapter titled “Offer Procedure” beginning on page 233 of this Prospectus.*

## OFFER PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular SEBI/HO/CFD/DIL2/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "General Information Document"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the LM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Applications by Retail Individual Applicants through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Offer size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Offer; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with the applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("UPI Phase I"). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, 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"). Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Subsequently, the final reduced timeline will be made effective using the UPI mechanism for applications by RIIs ("UPI Phase III"), as may be prescribed by SEBI. Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("UPI Phase III") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures as may be prescribed by the SEBI from time to time.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public issue from existing 6 working days to 3 working days from the date of the closure of the issue. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. Accordingly, the Offer will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

The revisions of the circular dated June 02, 2021 are elaborated as under: -

- SCSB's shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc. shall be included in SMS for Public Issues opening on/after January 01, 2022.
- The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Issues opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.

- In the interim, for the Public Issues opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB's etc., the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Public Issue process.
- The Stock Exchanges and Book Running Lead Managers shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Issue.
- The Registrar to the Issue shall provide the allotment/ revoke files to the Sponsor Bank by 8:00 PM on T+3 i.e., the day when the Basis of Allotment (BOA) has to be finalized.
- The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending applications for unblock, if any, to the Registrar to the Issue, not later than 5:00 PM on BOA+1.
- Subsequent to the receipt of the pending applications for unblock from the Sponsor Bank, the Registrar to the Issue shall submit the bank-wise pending UPI applications for unblock to the SCSBs, not later than 6:30 PM on BOA+1 and ensure that the unblocking is completed on T+4.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by Stock Exchange to act as intermediaries for submitting Application Forms are provided on the website of the Stock Exchange. For details on their designated branches for submitting Application Forms, please refer the above-mentioned Stock Exchange website.

Please note that the information stated/covered in this chapter may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this chapter and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Prospectus. Applicant are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

#### **PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner: **Phase I:**

This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six working days.

#### **Phase II:**

This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six working days during this phase.

#### **Phase III:**

SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures as



may be prescribed by the SEBI from time to time. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Issue.

The Issue will be made under UPI Phase II of the UPI Circulars, unless Phase III of the UPI Circulars becomes mandatorily effective and applicable on or prior to the Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circulars, the same will be advertised in shall be advertised in all editions of a widely circulated English national daily newspaper, all editions of a widely circulated Hindi national daily newspaper, and all editions of Marathi newspaper (Marathi being the regional language of Gujarat, where our Registered Office is located), on or prior to the Issue Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering the facility of making application in public issues shall also provide 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 UPI Bidders using the UPI.

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 Circulars 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 finalized. 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 LM will be required to compensate the concerned investor.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the LM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

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 ₹5 lakh, shall use the UPI Mechanism. Individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹2 lakh and up to ₹5 lakh, using the UPI Mechanism, shall provide their UPI ID in the Application Form for making application 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.

### **FIXED PRICE OFFER PROCEDURE**

The Offer is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process. Wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Offer Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Offer Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.

**Investors should note that Equity Shares will be allotted to successful Applicants in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. The**

**Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UIP ID (for RII Applicants using the UIP Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.**

#### **ELECTRONIC REGISTRATION OF APPLICATIONS**

- a) The Designated Intermediary may register the Application using the online facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Fixed Process on a regular basis before the closure of the Issuer.
- b) On the Application/Issuer Closing Date, the Designated Intermediaries may upload the Applications till such time as may be permitted by the Stock Exchange and as disclosed in the Prospectus.

Only Applications that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 p.m. IST on the next Working Day following the Application/Issuer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Application/Issuer Period after which the Stock Exchange send the information to the Registrar to the Offer for further processing.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue have to use UIP as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **AVAILABILITY OF DRAFT PROSPECTUS, PROSPECTUS AND APPLICATION FORMS**

Copies of the Application Form and the Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Offer Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Prospectus / Prospectus. All the Applicants (other than Anchor Investor and Retail Individual Investor using UIP Payment Mechanism) shall mandatorily participate in the Offer only through the ASBA process for application. ASBA applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

All Applicants must compulsorily use the ASBA process to participate in the Offer, which shall include the UIP Mechanism in the case of UIP Applicants.

ASBA Applicants must provide either (i) the bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts, or (ii) the UIP ID (in case of UIP Applicants using UIP Mechanism), as applicable, in the relevant space provided in the Application Form and the Application Form that does not contain such details are liable to be rejected

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to bid using the UIP Mechanism and must provide the UIP ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UIP ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UIP handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

Since the Offer is made under Phase II, ASBA Applicants may submit the ASBA Form in the manner below:

- (i) RIIs (other than the RIIs using UIP 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) UIP Applicants using the UIP 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 NIIs (not using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Applicants are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Banks, as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. For all the initial public offerings 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 ASBA Applicants, including UPI Applicants, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder. The circular is applicable for all categories of investors viz. Retail Individual Investors, QIBs and Non-Institutional Investors and also for all modes through which the applications are processed.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians / Eligible NRIs applying on a non-repatriation basis (ASBA)	White*
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)	Blue*

*\*Excluding electronic Application Form.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Applicants Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI Applicants using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate a UPI Mandate Request to such UPI Applicants for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Applicants, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with the Exchange Circulars, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Applicants with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("Cut-Off Time"). Accordingly, UPI Applicants 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. Further, modification of Bids shall be allowed in parallel during the Bid/ Offer Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Applicants (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Banks, 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 Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the LM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Sponsor Banks 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 Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks 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.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer 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 Offer Bidding process.

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

## **Participation by Promoters, Promoter Group, the LM, associates and affiliates of the LM and the Syndicate Members and the persons related to Promoters, Promoter Group, LM and the Syndicate Members**

The LM and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law.

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

## **MAXIMUM AND MINIMUM APPLICATION SIZE**

### ***For Retail Individual Applicants***

The Application must be for a minimum of 2000 Equity Shares and in multiples of 2000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹ 2,00,000.

### ***For Other than Retail Individual Investors (Non-Institutional Investors and QIBs):***

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 2000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Investor cannot withdraw its Application after the Offer Closing Date and is required to pay 100% Bid Amount upon submission of Bid.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

## **Participation by associates/affiliates of Lead Manager**

The Lead Manager shall not be entitled to subscribe to this Offer in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Offer, either in the QIB Portion and Non-Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis

## **Option to Subscribe to the Offer**

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialized subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

## **Application By HUF**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ

Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

Application made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one (1) scheme of the mutual fund will not be treated as multiple Applications, provided, that the Applications clearly indicate the scheme concerned for which the Application has been made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

### **Application by Indian Public including eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors (other than minor having valid depository accounts as per demographic details provided by the depository), Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

### **Application by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Applicants Bidding through the UPI Mechanism) to block their Non-Resident External Accounts (“NRE Account”), or Foreign Currency Non-Resident Accounts (“FCNR Account”), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Applicants Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer 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.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Pursuant to the special resolution dated January 31, 2022 by the Shareholders, the aggregate ceiling of 10% was raised to 24%.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

For details of restrictions on investment by NRIs, please refer to the chapter titled “*Restrictions on Foreign Ownership of Indian Securities*” on 259 of the Prospectus.

## Application 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 (including its 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- Offer 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 Rules, 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 LM, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in 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 Offer 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, only if it complies with the following conditions:

- (a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
- (d) 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 (a) to (d)); 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:

- FPIs which utilise the multi-investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- 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.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- 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.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

## **Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors**

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 Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended (“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.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

**Our Company or the LM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

### **Application by limited liability partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

### **Application by Banking Companies**

In case of 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 is required to be attached to the Bid cum Application Form, failing which our Company in consultation with LM, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

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 subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. A banking company 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.

### **Application 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, the Company in consultation with LM, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDA Investment Regulations”), and are 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. Applicants are advised to refer to the IRDA 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

### **Application by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) circulars dated September 13, 2012, and January 2, 2013, 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 Bids.

#### **Application by Systemically Important Non-Banking Financial Companies**

In case of Application made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

#### **Application under Power of Attorney**

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹ 2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their Application in whole or in part, in either case, without assigning any reasons thereof.

Our Company in consultation with the LM, 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 in consultation with the LM, may deem fit.

#### **Application by OCBs**

In accordance with RBI regulations, OCBs cannot participate in this Offer.

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **OFFER PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

**APPLICATION FORM SHALL BEAR THE STAMP OF THE SYNDICATE MEMBER/SCSBS/REGISTRAR AND SHARE TRANSFER AGENTS/DEPOSITORY PARTICIPANTS/STOCK BROKERS AND IF NOT, THE SAME SHALL BE REJECTED.**

#### **METHOD AND PROCESS OF APPLICATIONS**

The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.

The Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Offer Period may be extended, if required, by an additional three Working Days, subject to the total Offer Period not exceeding 10 Working Days.

During the Offer Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.

The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Offer.



Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.

The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

#### **Who can apply?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

#### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

**Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.**

#### **TERMS OF PAYMENT**

The entire Issue price of ₹ 54/- per Equity Share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

#### **PAYMENT MECHANISM**

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the bid Amount (issue price) in the bank account specified in the Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

**Further, RIIs would continue to have an option to modify or withdraw the application till the closure of the issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.**

#### **REJECTION GROUNDS UNDER UPI PAYMENT MECHANISM**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

#### **PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

**In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public Issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.**

#### **Who can apply through UPI Mode:**

Only Retail Individual Investors are allowed to use UPI for the payment in public issue. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

#### **Process**

**Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).**

#### **Blocking of Funds:**

- a) Investors shall create UPI ID
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

#### **UNBLOCKING OF FUNDS:**

- a) After the Offer close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public Issue escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

#### **LIST OF BANKS PROVIDING UPI FACILITY**

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issue using UPI mechanism is provided on the SEBI Website at the following path:

*Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.*

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018).

#### **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted.

The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.

2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange.
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Offer Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Offer. This facility will be available with the Designated Intermediary and their authorized agents during the Offer Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Offer Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Offer Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
  1. Name of the Applicant;
  2. IPO Name;
  3. Application Form number;
  4. Investor Category;
  5. PAN (of First Applicant, if more than one Applicant);
  6. DP ID of the demat account of the Applicant;
  7. Client Identification Number of the demat account of the Applicant;
  8. UPI ID (RIIs applying through UPI Mechanism)
  9. Numbers of Equity Shares Applied for;
  10. Location of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  11. Bank account number
7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
8. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
10. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
11. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead

Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

12. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Offer Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

#### **WITHDRAWAL OF APPLICATIONS**

RIIs can withdraw their applications until Offer Closing Date. In case a RII wishes to withdraw the applications during the Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **SIGNING OF UNDERWRITING AGREEMENT**

The Underwriting Agreement has been executed as on the date of this Prospectus. After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. 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. For further details please refer to the chapter titled "*General Information*" on page 54 of this Prospectus.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within two days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within prescribed time period after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the prescribed time period, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

#### **FILING OF THE DRAFT PROSPECTUS**

For filing details, please refer to the chapter titled "*General Information*" beginning on page 54 of this Prospectus.

#### **PRE- OFFER ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing the Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where registered office of the Company is situated.

#### **PRICE DISCOVERY AND ALLOCATION OF EQUITY SHARES**

- a) The Offer is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicants at the Offer Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- b) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- c) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- d) In terms of SEBI Regulations, Non-Retail Investors shall not be allowed to either withdraw or lower the size of their applications at any stage.
- e) Allotment status details shall be available on the website of the Registrar to the Offer.

## **ISSUANCE OF ALLOTMENT ADVICE**

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Offer.

1. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
2. **Issuer will ensure that:** (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicant's Depository Account within 2 working days of the Offer Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.
3. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 working days of the Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

## **ISSUANCE OF CONFIRMATION ALLOCATION NOTE ("CAN")**

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Offer Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Offer Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

## **DESIGNATED DATE**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 working days of the Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

## **GENERAL INSTRUCTIONS**

Applicants are requested to note the additional instructions provided below.

### **Do's:**

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their bids through the ASBA process only;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, UPI ID (if applicable), DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic for Retail Individual Investors using UPI mechanism, may submit their ASBA forms with Designated Intermediary and ensure that it contains the stamp of such Designated Intermediary;
5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
6. If the first applicant is not the ASBA account holder (or the UPI- linked bank account holder as the case may be), ensure that the Application Form is signed by the ASBA account holder (or the UPI- linked bank account holder as the case may be). Ensure that you have mentioned the correct bank account number and UPI ID in the Application Form;
7. All Applicants (other than Anchor Investors and RII using UPI Mechanism) should apply through the ASBA process only. RII not using UPI mechanism, should submit their application form directly with SCSB's and not with any designated intermediary.

8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner.
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the central or the state government and officials appointed by the courts and for Applicants residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected.
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the eighth schedule to the Constitution of India are attested by a magistrate or a notary public or a special executive magistrate under official seal;
16. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
20. Since the allotment will be in dematerialised form only, Applicants should note that in case the DP ID, the Client ID, UPI ID (where applicable) and the PAN mentioned in the Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, match with the DP ID, Client ID (where applicable) and PAN available in the Depository database otherwise liable to be rejected; Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
21. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
22. Ensure that you have correctly signed the authorization /undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
23. Ensure that you have mentioned the correct ASBA Account number (for all Applicants other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;
24. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

25. Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
26. Applicants, other than Retail Individual Investors using the UPI Mechanism, shall ensure that they have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form to the relevant Designated Intermediaries;
27. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;
28. In case of ASBA Applicants (other than Retail Individual Investors using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form 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 <http://www.sebi.gov.in>);
29. 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;
30. Once the Sponsor Bank Issues the UPI Mandate Request, the Retail Individual Investors would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;
31. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
32. Retail Individual Investors who wish to revise their applications using the UPI Mechanism, should submit the revised Application with the Designated Intermediaries, pursuant to which Retail Individual Investors should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in the Retail Individual Investors ASBA Account.
33. Retail Individual Investors using the UPI Mechanism shall ensure that details of the Application 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, a Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;
34. Retail Individual Investors applied using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Application Form;
35. Retail Individual Investors using the UPI Mechanism who have revised their applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of Allotment in a timely manner;
36. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
37. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;
38. Retail Individual Investors shall 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 Offer Closing Date.
39. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;

3. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
4. Do not apply by another Application Form after submission of Application to the Designated Intermediary.
5. Do not submit the Application Forms with the Banker(s) to the Offer (assuming that such bank is not a SCSB), our Company, the LM or the Registrar to the Offer (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. Do not submit the Application Forms to any non-SCSB bank or our Company;
8. Do not apply on a physical Application Form that does not have the stamp of the relevant Designated Intermediary;
9. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
10. If you are a Retail Individual Investor and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
11. Do not submit the Application Forms to any Designated Intermediary that is not authorised to collect the relevant Application Forms or to our Company;
12. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
13. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
14. Do not submit the General Index Register number instead of the PAN;
15. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account and as in the case of Retail Individual Investors using the UPI Mechanism shall ensure that funds equivalent to the entire application amount are available in the UPI linked bank account where funds for making the bids are available.
16. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
17. If you are a Retail Individual Investor and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
18. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
19. If you are a QIB, do not submit your Application after 3.00 pm on the Offer Closing Date for QIBs;
20. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Offer Closing Date;
21. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
22. Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
23. Do not withdraw your application or lower the size of your application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise their applications during the Offer Period and withdraw their Applicants on or before the Offer Closing Date;
24. Do not apply for shares more than specified by respective Stock Exchanges for each category;
25. 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 Applications submitted by Retail Individual Investor using the UPI mechanism;
26. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
27. Do not apply if you are an OCB.
28. Do not submit incorrect UPI ID details, if you are a Retail Individual Investors applying through UPI Mechanism;
29. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and



30. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
31. 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)

For helpline details of the Lead Managers pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with 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, please refer to the chapter titled “**General Information**” on page 54 of this Prospectus.

**The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

#### **Instructions for completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public Issue using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchange. With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of Stock Exchange.

#### **Applicant’s Depository Account and Bank Details**

**Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant’s name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicant’s bank account details, MICR code and occupation (hereinafter referred to as ‘Demographic Details’). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants’ sole risk and neither the Lead Manager nor the Registrar to the Offer or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Offer. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

#### **GROUNDS FOR TECHNICAL REJECTIONS**

Applicants are requested to note that Application may be rejected on the following additional technical grounds.

- a. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- b. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- c. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- d. PAN not mentioned in the Application Form;
- e. GIR number furnished instead of PAN;
- f. Applications for lower number of Equity Shares than specified for that category of investors;
- g. Applications at a price other than the Fixed Price of the Offer;

- h. Applications for number of Equity Shares which are not in multiples as stated in the chapter titled “*Offer Structure*”;
- i. Category not ticked;
- j. Multiple Applications as defined in the Prospectus;
- k. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- l. Applications accompanied by Stock invest/ money order/ postal order/ cash;
- m. Signature of the First Applicant or sole Applicant is missing;
- n. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Offer Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- o. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant’s identity (DP ID) and the beneficiary’s account number;
- p. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- q. Applications by OCBs;
- r. Applications by US persons other than in reliance on Regulations or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- s. Applications not duly signed;
- t. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- u. Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- v. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- w. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- x. Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Offer Closing Date;
- y. Applications not containing the details of Bank Account and/or Depositories Account.
- z. Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application
- aa. Application submitted without instruction to the SCSBs to block the entire Application Amount;
- bb. Form at the time of blocking such Application Amount in the bank account;
- cc. Where no confirmation is received from SCSB for blocking of funds;
- dd. Applications by Applicants not submitted through ASBA process;
- ee. Applications not uploaded on the terminals of the Stock Exchanges;
- ff. Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
- gg. ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form
- hh. Submission of Application Form(s) using third party ASBA Bank Account
- ii. Submission of more than one Application Form per UPI ID by RIIs applying through Designated Intermediaries
- jj. In case of Applications by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Application Form is linked to a third-party bank account;
- kk. The UPI Mandate is not approved by Retail Individual Investor; and
- ll. The original Application is made using the UPI mechanism and revision(s) to the Application is made using ASBA either physically or online through the SCSB, and vice versa

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL AND CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

- a) A tripartite agreement dated January 21, 2023 with NSDL, our Company and Registrar to the Offer;
- b) A tripartite agreement dated January 13, 2023 with CDSL, our Company and Registrar to the Offer;

The Company's shares bear an ISIN No: INE517M01028

## COMMUNICATIONS

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Offer where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any Pre-Offer or Post Offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.**

<p><b>POLYSIL IRRIGATION SYSTEMS LIMITED</b>                  Survey No- 340/1, Beside Hystuff Steel, At Post Raniya, Taluka Savli, District Vadodara, Raniya Taluka Savli, Vadodara, Gujarat, India, 391780.  <b>Tel No:</b> (02667) 244271/2  <b>Email:</b> <a href="mailto:secretarial@polysilirrigation.com">secretarial@polysilirrigation.com</a>  <b>Website:</b> <a href="https://polysilirrigation.com/">https://polysilirrigation.com/</a></p>	<p><b>BIGSHARE SERVICES PRIVATE LIMITED</b>                  Office No. S6-2 6<sup>th</sup> Floor, Pinnacle Business Park Next to Ahura Centre, Mahakali Caves Road Andheri East, Mumbai – 400093, Maharashtra, India  <b>Tel No.:</b> +91-022-6263 8200  <b>Fax no:</b> +91 -022 6263 8299  <b>Contact Person:</b> Babu Rapheal  <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>  <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>  <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>  <b>SEBI Registration No:</b> INR000001385</p>
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## BASIS OF ALLOTMENT

Allotment will be made in consultation with the Stock Exchange. In the event of over subscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 2000 equity shares the allotment will be made as follows:
  - a. Each successful applicant shall be allotted 2000 equity shares; and
  - b. The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 2000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 2000 equity shares subject to a minimum allotment of 2000 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 2000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital Structure mentioned in this Prospectus.
6. Since present Issue is a fixed price Offer, the allocation in the net Issue to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a. A minimum of 50% of the net Issue of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.

- b. The balance net Issue of shares to the public shall be made available for allotment to a) individual applicants other than retail individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
- c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this chapter titled **“Terms of Offer”** on page 223 of this Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond the prescribed days, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest as prescribed under applicable law.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. Subject to any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be first made towards the Fresh Issue and subsequently, in respect of the Offered Shares pursuant to the Offer for Sale on a pro-rata basis in a manner proportionate to the respective portion of the Offered Shares of each Selling Shareholder.

The Executive Director/Managing Director of the Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Offer.**

**There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **AT PAR FACILITY**

Letters of Allotment or refund orders or instructions to Self-Certified Syndicate Banks in Application Supported by Blocked Amount process. The issuer shall ensure that “at par” facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

**The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

**In case of any pre-Offer or post-Offer related issues regarding demat credit/refund orders/unblocking etc.,** investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see **“General Information”** on page 54 of this Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Issue/ 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, as amended by 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, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds

#### **GROUNDS FOR REFUND**

##### *Non-Receipt of Listing Permission*

An Issuer makes an Application to the Stock Exchange for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchange from where such permission is sought are disclosed in this Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by Stock Exchange, the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of this Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Offer shall intimate Public Issue bank / Bankers to the Offer and Public Issue Bank/Bankers to the Offer shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within Four days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in this Prospectus.

#### *Minimum Subscription*

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest as prescribed under applicable law.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. Subject to any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be first made towards the Fresh Issue and subsequently, in respect of the Offered Shares pursuant to the Offer for Sale on a pro-rata basis in a manner proportionate to the respective portion of the Offered Shares of each Selling Shareholder

#### *Minimum Number of Allottees*

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than fifty (50), failing which the entire application monies may be refunded forthwith.

#### **MODE OF REFUNDS**

- a) **In case of ASBA Bids:** Within Two (2) Working Days of the Bid / Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid, for any excess amount blocked on Application, for any ASBA Bids withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer.
- b) In the case of Applicant from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- c) **In case of Investors:** Within Two (2) Working Days of the Bid/ Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

#### **MODE OF MAKING REFUNDS FOR APPLICANTS OTHER THAN ASBA APPLICANTS**

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;
- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (iii) **Direct Credit** - Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) **RTGS** - Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicant's account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the BRLM or the Registrar to the Offer or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 100% of the Offer, shall be credited only to the bank account from which the Applicant Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Applicants may refer to this Prospectus.

#### **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 LM and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the 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 1% of the offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to the Retail Individual Investors and Non-Institutional 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 lot size application size as determined and disclosed. The Allotment of Equity Shares to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board., 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 Applicants at the rate prescribed under applicable law for the delayed period;

#### **COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange are taken within 3 Working Days of the Offer Closing Date. The Registrar to the Offer may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 2 Working Days of the Offer Closing Date.

## **UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

1. That the complaints received in respect of this Offer shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 3 (Three) working days of closure of the Offer;
3. that funds required for making refunds / unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time;
5. that Company shall not have recourse to the Offer proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
6. The Equity Shares proposed to be issued by it in the Offer shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Offer;
7. 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 Applicants at the rate prescribed under applicable law for the delayed period;
8. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
9. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the Offer giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
10. that no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc;
11. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment;
12. That if our Company does not proceed with the Offer after the Offer Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Offer Closing Date. The public notice shall be issued in the same newspapers where the Offer advertisements were published. Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
13. that if our Company, in consultation with the LM, withdraw the Offer at any stage, including after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company subsequently decides to proceed with the Offer thereafter;
14. That if our Company withdraws the Offer after the Offer Closing Date, our Company shall be required to file a fresh Draft Prospectus with Stock Exchange/ RoC / SEBI, in the event our Company subsequently decides to proceed with the Offer; and
15. That it shall comply with such disclosure and account norms specified by SEBI from time to time.

### **Utilization of Offer Proceeds**

Our Board certifies that:

- 1) All monies received out of the Offer shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
- 2) Details of all monies utilized out of the Offer shall be disclosed and continue to be disclosed till any part of the Fresh Issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Offer, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested. Our Company confirms and declares that all monies received out of the Fresh Issue shall be transferred to a separate bank account other than the bank account referred to in sub section 3 of Section 40 of the Companies Act, 2013
- 4) Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Offer.

- 5) Our Company shall not have recourse to the Offer Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchange where listing is sought has been received.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactory.

**Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below: “Any person who – (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.” The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months 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 ₹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 ₹50.00 lakhs or with both.



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 has prescribed the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government of India has from time to time made policy pronouncements on foreign direct investment ("FDI") through press notes and press releases.

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GoI, earlier known as Department of Industrial Policy and Promotion ("DPIIT") has issued the Consolidated FDI Policy Circular of 2020 ("FDI Policy") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

As per the current FDI policy, FDI in companies engaged in manufacturing sector is permitted up to 100% of the paid-up share capital of such company under the automatic route.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route as per the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits provided under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India, has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Applicant should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Applicant shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

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 above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for in the Offer do not exceed the applicable limits under applicable laws or regulations.

For further details, see chapter titled "*Offer Procedure*" beginning on page 233 of this Prospectus.

**SECTION IX: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT, 2013**

**ARTICLES OF ASSOCIATION OF**

**POLYSIL IRRIGATION SYSTEMS LIMITED**

**[Company Limited by Shares]**

**CONSTITUTION OF THE COMPANY**

1. The regulations contained in table “F” of Schedule I to the Companies Act, 2013 shall apply to the Company only in so far as the same are not provided for or are not inconsistent with these Articles.

“Public Company” means a company which—

- (a) is not a private company;
- (b) has a minimum paid-up share capital of five lakh rupees or such higher paid-up capital, as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.

**INTERPRETATION CLAUSE**

2. The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context:
- a. ‘The Act’ or ‘The Companies Act’ shall mean ‘The Companies Act, 2013, its rules and any statutory modifications or re-enactments thereof.’
  - b. ‘The Board’ or ‘The Board of Directors’ means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.
  - c. ‘The Company’ or ‘This Company’ means **POLYSIL IRRIGATION SYSTEMS LIMITED**.
  - d. ‘Directors’ means the Directors for the time being of the Company.
  - e. ‘Writing’ includes printing, lithograph, typewriting and any other usual substitutes for writing.
  - f. ‘Members’ means members of the Company holding a share or shares of any class.
  - g. ‘Month’ shall mean a calendar month.
  - h. ‘Paid-up’ shall include ‘credited as fully paid-up’.
  - i. ‘Person’ shall include any corporation as well as individual.
  - j. ‘These presents’ or ‘Regulations’ shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.
  - k. ‘Section’ or ‘Sec.’ means Section of the Act.
  - l. Words importing the masculine gender shall include the feminine gender.
  - m. Except where the context otherwise requires, words importing the singular shall include the plural and the words importing the plural shall include the singular.
  - n. ‘Special Resolution’ means special resolution as defined by Section 114 in the Act.
  - o. ‘The Office’ means the Registered Office for the time being of the Company.
  - p. ‘The Register’ means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013.
  - q. ‘Proxy’ includes Attorney duly constituted under a Power of Attorney.
3. Except as provided by Section 67, no part of funds of the Company shall be employed in the purchase of the shares of the Company, and the Company shall not directly or indirectly and whether by shares, or loans, give, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company.
4. The Authorized Share Capital of the Company shall be as prescribed in Clause 5 of the Memorandum of Association of the Company.

5. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.

Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.

6. The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.
7. The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:
- I. (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
  - (b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
  - (c) 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 (b) shall contain a statement of this right.
  - (d) After the expiry of the time specified in the notice aforesaid, or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.
- II. The Directors may, with the sanction of the Company in General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.
- III. Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by:
- (a) A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and
  - (b) The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.
8. (1) The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.
- (2) To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.

#### **Issue of further shares with disproportionate rights**

9. Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking *pari passu* therewith.

### **Issue of shares with disproportionate rights**

10. The Company may issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares.

### **Power to pay commission**

11. The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.

### **Liability of joint holders of shares**

12. The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.

### **Trust not recognised**

13. Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

### **Issue other than for cash**

14. a). The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.  
b). As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.

### **Acceptance of shares**

15. An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.

### **Member' right to share Certificates**

16. 1. Every person whose name is entered as a member in the Register shall be entitled to receive without payment:
  - a. One certificate for all his shares; or
  - b. Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.
2. The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.
3. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
4. The certificate of title to shares and duplicates thereof when necessary shall be issued under the seal of the Company and signed by two Directors and the Secretary or authorized official(s) of the Company.

### **One Certificate for joint holders**

17. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.

### **Renewal of Certificate**

18. If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.

19. For every certificate issued under the last preceding Article, no fee shall be charged by the Company.

#### **Splitting and consolidation of Share Certificate**

20. The shares of the Company will be split up/consolidated in the following circumstances:

- (i) At the request of the member/s for split up of shares in marketable lot.
- (ii) At the request of the member/s for consolidation of fraction shares into marketable lot.

#### **Directors may issue new Certificate(s)**

21. Where any share under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.

#### **Person by whom installments are payable**

22. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment, shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.

#### **LIEN**

##### **Company's lien on shares**

23. The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

##### **As to enforcing lien by sale**

24. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death of insolvency of the register holder.

##### **Authority to transfer**

- 25. a. To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.
- b. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

##### **Application of proceeds of sale**

26. The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.

#### **CALLS ON SHARES**

##### **Calls**

27. Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.

##### **When call deemed to have been made**

28. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to

the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.

#### **Length of Notice of call**

29. Not less than thirty day's notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.

#### **Sum payable in fixed instalments to be deemed calls**

30. If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by instalments at fixed time, whether on account of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or instalment accordingly.

#### **When interest on call or instalment payable**

31. If the sum payable in respect of any call or, instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall fall due, shall pay interest for the same at the rate of 12 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.

#### **Sums payable at fixed times to be treated as calls**

32. The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

#### **Payment of call in advance**

33. The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.

#### **Partial payment not to preclude forfeiture**

34. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.

### **FORFEITURE OF SHARES**

#### **If call or instalment not paid, notice may be given**

35. If a member fails to pay any call or instalment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.

#### **Evidence action by Company against shareholders**

36. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

#### **Form of Notice**

37. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.

### **If notice not complied with, shares may be forfeited**

38. If the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

### **Notice after forfeiture**

39. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

### **Boards' right to dispose of forfeited shares or cancellation of forfeiture**

40. A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.

### **Liability after forfeiture**

41. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.

### **Effect of forfeiture**

42. The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

### **Evidence of forfeiture**

43. A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

### **Non-payment of sums payable at fixed times**

44. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

### **Validity of such sales**

45. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register 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.

## **TRANSFER AND TRANSMISSION OF SHARES**

### **Transfer**

46. a. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.
- b. The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the

transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.

- c. An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- d. For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.
- e. Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

#### **Form of transfer**

47. Shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act.

#### **Board's right to refuse to register**

48. a. The Board, may, at its absolute discretion and without assigning any reason, decline to register
1. The transfer of any share, whether fully paid or not, to a person of whom it do not approve or
  2. Any transfer or transmission of shares on which the Company has a lien

Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.

- b. If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the 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.
- c. In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 58.
- d. The provisions of this clause shall apply to transfers of stock also.

#### **Further right of Board of Directors to decline to recognize any instrument of transfer**

49. the board may decline to recongnise any instrument of transfer unless –

- a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- c. the instrument of transfer is in respect of only one class of shares.

#### **Rights to shares on death of a member for transmission**

50. a. In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares.
- b. In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.

Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.

Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member.

Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.



### **Rights and liabilities of person**

51. 1. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as herein, after provided elect either
- a. to be registered himself as a holder of the share or
  - b. to make such transfer of the share as the deceased or insolvent member could have made.
2. The Board, shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

### **Notice by such a person of his election**

52. a. If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- c. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer had been signed by that member.

### **No transfer to infant, etc.**

53. No transfer shall be made to an infant or a person of unsound mind.

### **Endorsement of transfer and issue of certificate**

54. Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.

### **Custody of transfer**

55. The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

### **Register of members**

56. a. The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.

### **Closure of Register of members**

- b. The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

### **When instruments of transfer to be retained**

- c. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.

### **Company's right to register transfer by apparent legal owner**

57. The Company shall incur no liability or responsibility whatever in consequence of their 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 same shares notwithstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.

## **ALTERATION OF CAPITAL**

### **Alteration and consolidation, sub-division and cancellation of shares**

58. a. The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:

1. increase its share capital by such amount as it thinks expedient by issuing new shares;
  2. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  3. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;
  4. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.
  5. Cancel shares which, at the date of passing of the resolution in that behalf, 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.
  6. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative provisions for the time being in force in that behalf.
- b. The resolution whereby any share is sub-divided may determine that, as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.

#### **Reduction of capital, etc. by Company**

59. The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law:
- a. its share capital;
  - b. any capital redemption reserve account; or
  - c. any share premium account.

#### **SURRENDER OF SHARES**

##### **Surrender of shares**

60. The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.

#### **MODIFICATION OF RIGHTS**

##### **Power of modify shares**

61. The rights and privileges attached to each class of shares may be modified, commuted, affected, and abrogated in the manner provided in Section 48 of the Act.

#### **SET OFF OF MONEY DUE TO SHAREHOLDERS**

##### **Set-off of moneys due to shareholders**

62. Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls.

#### **CONVERSION OF SHARES INTO STOCK**

##### **Conversion of shares**

63. The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.

##### **Transfer of stock**

64. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

##### **Right of stockholders**

65. The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose,

but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

#### **Applicability of regulations to stock and stockholders**

66. Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.

#### **67. DEMATERIALISATION OF SECURITIES**

##### **a) Definitions**

For the purpose of this Article:

‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository;

‘SEBI’ means the Securities and Exchange Board of India;

‘Depository’ means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

‘Security’ means such security as may be specified by SEBI from time to time.

##### **b) Dematerialisation of securities**

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

##### **c) Options for investors**

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

##### **d) Securities in depositories to be in fungible form**

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

##### **e) Rights of depositories and beneficial owners:**

- (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.
- (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

##### **f) Service of documents**

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 electronic mode or by delivery of floppies or discs.

##### **g) Transfer of securities**

Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

##### **h) Allotment of securities dealt with in a depository**

Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

##### **i) Distinctive numbers of securities held in a depository**

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

**j) Register and Index of Beneficial owners**

The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.

**k) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository**

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

**GENERAL MEETINGS**

**Annual General Meeting**

68. The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act.

**Extraordinary General Meeting**

69. 1. Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit.

**Right to summon Extraordinary General Meeting**

2. The Chairman or Vice Chairman may, whenever they think fit, and shall if so directed by the Board, convene an Extraordinary General Meeting at such time and place as may be determined.

**Extraordinary Meeting by requisition**

70. a. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.
- b. The requisition shall set out matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office.
- c. The requisition may consist of several documents in like forms, each signed by one or more requisitionists.
- d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition.
- e. If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid-up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub-clause (d) above, whichever is less.

**Length of notice for calling meeting**

71. A General Meeting of the Company may be called by giving not less than twenty one days notice in writing, provided that a General Meeting may be called after giving shorter notice of seven days or less if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting. Provided that where any member of the Company is 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 purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.

**Accidental omission to give notice not to invalidate meeting**

72. The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.

**Special business and statement to be annexed**

73. All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any item of business to be transacted at the meeting is 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 and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. 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.

Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

### **Quorum**

74. The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:

Number of members upto 1000: 5 members personally present

Number of members 1000-5000: 15 members personally present

Number of members more than 5000: 30 members personally present

### **If quorum not present, when meeting to be dissolved and when to be adjourned**

75. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

### **Chairman of General Meeting**

76. The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.

### **When Chairman is absent**

77. If there is no such Chairman, or Vice Chairman or if at any General Meeting, either the Chairman or Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting or if they are unwilling to take the chair, the members present shall choose one of their members to be the Chairman.

### **Adjournment of meeting**

78. The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

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. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

### **Questions at General Meeting how decided**

79. At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands/result of electronic voting as per the provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/ electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

### **Casting vote**

80. In the case of an equality of votes, the Chairman shall, whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

### **Taking of poll**

81. If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

**In what cases poll taken without adjournment**

82. A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.

**Votes**

83. a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.
- b. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.
- c. Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.

**Business may proceed notwithstanding demand for poll**

84. A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; the demand for a poll may be withdrawn at any time by the person or persons who made the demand.

**Joint holders**

85. In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

**Member of unsound mind**

86. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy.

**No member entitled to vote while call due to Company**

87. No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

**Proxies permitted on polls**

88. On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.

**Instrument of proxy**

89. a. The instrument appointing a proxy shall be in writing under the hand of the appointed or of the attorney duly authorised in writing, or if the appointer is a Corporation, either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.
- b. A body corporate (whether a company within the meaning of this Act or not) may:
1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company;
  2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

- c. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.

#### **Instrument of proxy to be deposited at the office**

90. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.

#### **Validity of vote by proxy**

91. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Form of proxy**

92. Any instrument appointing a proxy may be a two-way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.

### **DIRECTORS**

#### **Number of Directors**

93. Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.

The Present Directors\* of the Company are:

1. Bharatkumar Tulshibhai Patel
2. Prafulbhai Damjibhai Radadia
3. Anilkumar Radheshyam Singh

94. Subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director shall be a Member of the Board.

#### **Qualification of Directors**

95. Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.

#### **Director's remuneration**

96. a. Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 and schedule V of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.
- b. Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.
- c. Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in subclause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.

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\* Present Directors means the Board of Directors as on adoption of this Articles of Association i.e. 13/12/2022.

- d. Subject to the provisions of Section 188 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.

#### **Directors may act notwithstanding vacancy**

97. The continuing Directors may act notwithstanding any vacancy in their body, but subject to the provisions contained in Article 119 below:

#### **Chairman or Vice-chairman of the Board**

98. a. Notwithstanding anything contained in these Articles and pursuant to provisions of the Act, Managing Director of the company will act as Chairman of the board and Deputy Managing Director will act as Vice chairman of the board.
- b. Subject to the provisions of the Act, the Chairman and the Vice Chairman may be paid such remuneration for their services as Chairman and Vice Chairman respectively, and such reasonable expenses including expenses connected with travel, secretarial service and entertainment, as may be decided by the Board of Directors from time to time.

#### **Casual vacancy**

99. If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.

### **VACATION OF OFFICE BY DIRECTORS**

#### **Vacation of office by Directors**

100. Office of a Director shall be vacated if:

1. he is found to be unsound mind by a Court of competent jurisdiction;
2. he applies to be adjudicated as an insolvent;
3. he is an undischarged insolvent;
4. he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is 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;
5. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;
6. an order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.
7. he has not complied with Subsection (3) of Section 152
8. he has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.
9. he absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;
10. he acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.
11. he becomes disqualified by an order of a court or the Tribunal
12. he is removed in pursuance of the provisions of the Act,
13. having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;

Notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:

1. for thirty days from the date of the adjudication, sentence or order;
2. where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off;



or

3. where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

#### **Alternate Directors**

101. (a) The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause “the Original Director” during his absence for a period of not less than 3 months from India.
- (b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.

#### **Independent Directors**

- (c) (i) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or clause 49 of Listing Agreement, whichever is higher, from time to time.
- (ii) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013.
- (iii) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and shall not be liable to retire by rotation.

#### **Women Director**

- (d) The Directors shall appoint one women director as per the requirements of section 149 of the Act.

#### **Key Managerial Personnel**

- (e) Subject to the provisions of the Act, —
  - (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
  - (iii) The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.

#### **Additional Directors**

- 102.a. The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under Article 93 above. Any person so appointed as an Additional Director shall hold office up to the date of the next Annual General Meeting of the Company.

#### **Proportion of retirement by rotation**

- b. The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act.

#### **Debenture**

Any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and reappoint any Director so appointed. The Director appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company.

103. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.

#### **Corporation/Nominee Director**

- 104.a. Notwithstanding anything to the contrary contained in the Articles, so long as any moneys remain owing by the Company to any finance corporation or credit corporation or body, (herein after in this Article referred to as “The Corporation”) out of any loans granted by them to the Company or as long as any liability of the Company arising out of any guarantee furnished by the Corporation, on behalf of the Company remains defaulted, or the Company fails to meet its obligations to pay interest and/or instalments, the Corporation shall have right to appoint from time to time any person or persons as a Director or Directors (which Director or Directors is/are hereinafter referred to as “Nominee Director(s)”) on the Board of the Company and to remove from such office any person so appointed, any person or persons in his or their place(s).

- b. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s as long as such default continues. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s appointed shall hold the said office as long as any moneys remain owing by the Company to the Corporation or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, and of the Meeting of the Committee of which the Nominee Director/s is/are member/s.

The Corporation shall also be entitled to receive all such notices. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Director/s of the Company are entitled, but if any other fee, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fee, 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 to 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 if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall so accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

- c. The Corporation may at any time and from time to time remove any such Corporation 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 a Corporation Director in his place. Such appointment or removal shall be made in writing signed by the Chairman or Joint Chairman of the Corporation or any person and shall be delivered to the Company at its Registered office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company, subject to Section 152 of the Act and so that the number does not exceed 1/3 of the maximum fixed under Article 93.

#### **Disclosure of interest of Directors**

- 105.a. Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by 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 or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.

Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.

- b. A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.

#### **Rights of Directors**

106. Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.

#### **Directors to comply with Section 184**

107. Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.

#### **Directors power of contract with Company**

108. Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.

## **ROTATION OF DIRECTORS**

### **Rotation and retirement of Directors**

109. At every annual meeting, one-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.

### **Retiring Directors eligible for re-election**

110. A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.

### **Which Directors to retire**

111. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

### **Retiring Directors to remain in office till successors are appointed**

112. Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint 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 national holiday, till the next succeeding day which is not a holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.

### **Power of General Meeting to increase or reduce number of Directors**

113. Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 93 and may also determine in what rotation the increased or reduced number is to retire.

### **Power to remove Directors by ordinary resolution**

114. Subject to provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.

### **Rights of persons other than retiring Directors to stand for Directorships**

115. Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be "along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time 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 or gets more than 25% of total valid votes cast either on show of hands or electronically or on poll on such resolution".

### **Register of Directors and KMP and their shareholding**

116. The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.

### **Business to be carried on**

117. The business of the Company shall be carried on by the Board of Directors.

### **Meeting of the Board**

118. The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.

#### **Director may summon meeting**

119. A Director may at any time request the Secretary to convene a meeting of the Directors and seven days notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.

#### **Question how decided**

- 120.a. Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
- b. In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.

#### **Right of continuing Directors when there is no quorum**

121. The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.

#### **Quorum**

122. The quorum for a meeting of the Board shall be one third of its total strength (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 is equal to or exceeds two thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

#### **Election of Chairman to the Board**

123. If no person has been appointed as Chairman or Vice Chairman under Article 98(a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.

#### **Power to appoint Committees and to delegate**

- 124.a. The Board may, from time to time, and at any time and in compliance with provisions of the act and listing agreement constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit.

#### **Delegation of powers**

- b. Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and listing agreement.
- c. The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and listing agreement.

#### **Proceedings of Committee**

125. The meeting and proceedings of any such Committee 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 not superseded by any regulations made by the Directors under the last proceeding Article.

#### **Election of Chairman of the Committee**

- 126.a. The Chairman or the Vice Chairman shall be the Chairman of its meetings, if either is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.
- b. The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.

### **Question how determined**

127.a. A Committee may meet and adjourn as it thinks proper.

- b. Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.

### **Acts done by Board or Committee valid, notwithstanding defective appointment, etc.**

128. All acts done by any meeting of the Board or a Committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or any person acting as aforesaid, or that any of them was disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.

### **Resolution by circulation**

129. Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may be) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

## **POWERS AND DUTIES OF DIRECTORS**

### **General powers of Company vested in Directors**

130. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

### **Attorney of the Company**

131. The Board may appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney 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 Articles 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 the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

### **Power to authorise subdelegation**

132. The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.

### **Directors' duty to comply with the provisions of the Act**

133. The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.

### **Special power of Directors**

134. In furtherance of and without prejudice to the general powers conferred by or implied in Article 130 and other powers conferred by these Articles, and subject to the provisions of Sections 179 and 180 of the Act, that may become applicable, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to the following things.

### **To acquire and dispose of property and rights**

135.a. To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise

dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.

**To pay for property in debentures, etc.**

- b. At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

**To secure contracts by mortgages**

- c. To secure the fulfillment of any contracts or agreements 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 other manner as they think fit.

**To appoint officers, etc.**

- d. To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks 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 powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.
- e. 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 payments or satisfaction of any dues and of any claims or demands by or against the Company.

**To refer to arbitration**

- f. To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.

**To give receipt**

- g. To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.

**To act in matters of bankrupts and insolvents**

- h. To act on behalf of the Company in all matters relating to bankrupts and insolvents.

**To give security by way of indemnity**

- i. 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 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, covenants and provisions as shall be agreed upon.

**To give commission**

- j. To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.

**To make contracts etc.**

- k. 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 consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

**To make bye-laws**

- l. From time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants.

**To set aside profits for provided fund**

- m. Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.

**To make and alter rules**

- n. To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said

fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.

- o. And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.

### **Managing Director**

136.a. Subject to the provisions of Section 196 ,197, 2(94), 203 of the Act, the following provisions shall apply:

b. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.

c. The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.

d. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.

e. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.

f. Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/Managing Directors shall exercise all powers set out in Article 137 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.

### **Whole-time Director**

137.1. Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Wholetime Director or Wholetime Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf.

2. A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.

### **Secretary**

138. The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board.

### **Powers as to commencement of business**

139. Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

### **Delegation of power**

140. Subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.

## **BORROWING**

### **Borrowing Powers**

141. The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of the Company or by such other means as them may seem expedient.

### **Assignment of debentures**

142. Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.

### **Terms of debenture issue**

- 143.a. Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
- b. Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee of or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.
- c. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called "Debenture Director". The words "Mortgage" or "Debenture Director" shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgagee lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.
- d. The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.



e. The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being.

#### **Charge on uncalled capital**

144. Any uncalled capital of the Company may be included in or charged by mortgage or other security.

#### **Subsequent assignees of uncalled capital**

145. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.

#### **Charge in favour of Director of indemnity**

146. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.

#### **Powers to be exercised by Board only at meeting**

147.a. Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.

- (a) to make calls on shareholders in respect of money unpaid on their shares;
- (b) to authorise buy-back of securities under section 68;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow monies;
- (e) to invest the funds of the company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statement and the Board's report;
- (h) to diversify the business of the company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) to make political contributions;
- (l) to appoint or remove key managerial personnel (KMP);
- (m) to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
- (n) to appoint internal auditors and secretarial auditor;
- (o) to take note of the disclosure of director's interest and shareholding;
- (p) to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;
- (q) to invite or accept or renew public deposits and related matters;
- (r) to review or change the terms and conditions of public deposit;
- (s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.
- (t) such other business as may be prescribed by the Act.

- b. The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses, d, e and f above.
- c. Every resolution delegating the power set out in Sub-clause d shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.
- d. Every resolution delegating the power referred to in Sub-clause e shall specify the total amount up to which the funds may be invested and the nature of investments which may be made by the delegate.

- e. Every resolution delegating the power referred to in Sub-clause f above shall specify the total amount up to which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.

#### **Register of mortgage to be kept**

- 148. The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.

#### **Register of holders of debentures**

- 149. Every register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty five days in any year, and not exceeding thirty days at any one time. Subject as the aforesaid, every such register shall be open to the inspection of registered holders of any such debenture and of any member but the Company may in General Meeting impose any reasonable restriction so that at least two hours in every day, when such register is open, are appointed for inspection.

#### **Inspection of copies of and Register of Mortgages**

- 150. The Company shall comply with the provisions of the Companies Act, 2013, as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.

#### **Supplying copies of register of holder of debentures**

- 151. The Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.

#### **Right of holders of debentures as to Financial Statements**

- 152. Holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.

#### **Minutes**

- 153.a. The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.
  - b. The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

#### **Managing Director's power to be exercised severally**

- 154. All the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally.

#### **MANAGER**

##### **Manager**

- 155. Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board.

#### **COMMON SEAL**

##### **Common Seal**

- 156. The Board may provide for a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the Registered Office of the Company and committed to the custody of the Directors.

##### **Affixture of Common Seal**

157. The seal shall not be affixed to any instrument except by the authority of a resolution of the Board or Committee and unless the Board otherwise determines, every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director and the Secretary in whose presence the seal shall have been affixed or such other person as may, from time to time, be authorised by the Board and provided nevertheless that any instrument bearing the seal of the Company issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same provided also the counter signature of the Chairman or the Vice Chairman, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.

## **DIVIDENDS AND RESERVES**

### **Rights to Dividend**

158. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.

### **Declaration of Dividends**

159. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

### **What to be deemed net profits**

160. The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.

### **Interim Dividend**

161. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

### **Dividends to be paid out of profits only**

162. No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.

### **Reserve Funds**

- 163.a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

- b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.

### **Method of payment of dividend**

- 164.a. Subject to the rights of persons, if any, entitled to share 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.

- b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.

- c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.

### **Deduction of arrears**

165. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise.

### **Adjustment of dividend against call**

166. Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts 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 themselves, be set off against the call.

### **Payment by cheque or warrant**

- 167.a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.
- b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- c. Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.

#### **Retention in certain cases**

- 168.(A) The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.

#### **Receipt of joint holders**

- (B) Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:
- a) transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
- b) Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act”.

#### **Deduction of arrears**

169. Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.

#### **Notice of Dividends**

170. Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

#### **Dividend not to bear interest**

- 171.No dividend shall bear interest against the Company.

#### **Unclaimed Dividend**

172. No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.

#### **Transfer of share not to pass prior Dividend**

173. Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

### **CAPITALISATION OF PROFITS**

#### **Capitalisation of Profits**

- 174.a. The Company in General Meeting, may on the recommendation of the Board, resolve:
1. that the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised; and
  2. that such sum be accordingly set free for distribution in the manner specified in Sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- b. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Sub clause (3) either in or towards:
1. paying up any amount for the time being unpaid on any share held by such members respectively;
  2. paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid;

or

3. partly in the way specified in Sub-clause (i) and partly in that specified in Sub-clause (ii).
- c. A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- d. The Board shall give effect to resolutions passed by the Company in pursuance of this Article.

#### **Powers of Directors for declaration of Bonus**

175.a. Whenever such a resolution as aforesaid shall have been passed, the Board shall:

1. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and
2. generally do all acts and things required to give effect thereto.

b. The Board shall have full power:

1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and 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 thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.

c. Any agreement made under such authority shall be effective and binding on all such members.

#### **ACCOUNTS**

##### **Books of account to be kept**

176.a. The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.

b. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions.

c. The books of accounts shall be open to inspection by any Director during business hours.

##### **Where books of account to be kept**

177. The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.

##### **Inspection by members**

178. The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.

##### **Statement of account to be furnished to General Meeting**

179. The Board shall lay before such Annual General Meeting, financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act.

##### **Financial Statements**

180. Subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.

##### **Authentication of Financial Statements**

181.a. Subject to Section 134 of the Act, every financial statements of the Company shall be signed on behalf of the Board by not less than two Directors.

b. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

### **Auditors Report to be annexed**

182. The Auditor's Report shall be attached to the financial statements.

### **Board's Report to be attached to Financial Statements**

183.a. Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.

b. The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.

c. The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.

d. The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 181.

e. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (a) to (e) of this Article are complied with.

### **Right of member to copies of Financial Statements**

184. The Company shall comply with the requirements of Section 136.

### **ANNUAL RETURNS**

#### **Annual Returns**

185. The Company shall make the requisite annual return in accordance with Section 92 of the Act.

### **AUDIT**

#### **Accounts to be audited**

186.a. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.

b. Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.

c. At every Annual General Meeting, reappointment of such auditor shall be ratified by the shareholders.

d. Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.

e. The Company shall, within seven days of the Central Government's power under Subclause (d) becoming exercisable, give notice of that fact to that Government.

f. 1. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and

2. If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.

g. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

h. A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section 140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.

i. The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.

j. Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company.

#### **Audit of Branch Offices**

187. The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.

#### **Remuneration of Auditors**

188. The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill and casual vacancy may be fixed by the Board.

#### **Rights and duties of Auditors**

189.a. Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties as Auditor.

b. All notices of, and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

c. The Auditor shall make a report to the members of the Company on the accounts examined by him and on Financial statements and on every other document declared by this Act to be part of or annexed to the Financial statements, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:

1. in the case of the Balance Sheet, of the state of affairs as at the end of the financial year and
2. in the case of the Statement of Profit and Loss, of the profit or loss for its financial year.

d. The Auditor's Report shall also state:

- (a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;
- (b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;
- (c) whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;
- (d) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
- (e) whether, in his opinion, the financial statements comply with the accounting standards;
- (f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
- (g) whether any director is disqualified from being appointed as a director under subsection (2) of section 164;

- (h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
  - (i) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
  - (j) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;
  - (k) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - (l) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
- e. Where any of the matters referred to in Clauses (i) and (ii) of Sub-section (2) of Section 143 of the Act or in Clauses (a), (b) and (c) of Sub-section (3) of Section 143 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for such answer.
- f. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

**Accounts whether audited and approved to be conclusive**

190. Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected, and henceforth be conclusive.

**Service of documents on the Company**

191. A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act.

**How documents to be served to members**

- 192.a. A document (which expression for this purpose shall be deemed to included and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.
- b. All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.
  - c. Where a document is sent by post:
    - i. service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;
    - ii. in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and
    - iii. in any other case, at the time at which the letter should be delivered in the ordinary course of post.

**Members to notify address in India**

193. registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

**Service on members having no registered address in India**

194. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

**Service on persons acquiring shares on death or insolvency of members**



195. A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions 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 serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

#### **Notice valid though member deceased**

196. Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.

#### **Persons entitled to Notice of General Meeting**

197. Subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to;
- (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
  - (b) the auditor or auditors of the company; and
  - (c) every director of the company.

Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

#### **Advertisement**

- 198.a. Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.
- b. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.

#### **Transference, etc. bound by prior notices**

199. Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.

#### **How notice to be signed**

200. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

### **AUTHENTICATION OF DOCUMENTS**

#### **Authentication of document and proceeding**

201. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.

### **WINDING UP**

#### **Winding up**

202. Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities *pari-passu* and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.

#### **Division of assets of the Company in specie among members**

203. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability

to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

## **INDEMNITY AND RESPONSIBILITY**

### **Directors' and others' right to indemnity**

- 204.a. Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which Service of documents on the Company any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.
- b. Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.
205. Subject to the provisions of Section 197 of the Act, no Director 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 for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of 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 money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part of for any loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.

## **SECRECY CLAUSE**

- 206.a. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require 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 or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.
- b. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.

## **REGISTERS, INSPECTION AND COPIES THEREOF**

- 207.a. Any Director or Member or person can inspect the statutory registers maintained by the company, which may be available for inspection of such Director or Member or person under provisions of the act by the company, provided he gives fifteen days notice to the company about his intention to do so.
- b. Any Director or Member or person can take copies of such registers of the company by paying Rs. 10 per page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.

## **GENERAL AUTHORITY**

Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this articles.

## SECTION X – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be filed with the Registrar of Companies for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Survey No- 340/1, Beside Hystuff Steel at Post Raniya, Taluka Savli, District Vadodara, Gujarat - 391780, India, between 10.00 a.m. and 5.00 p.m. (IST) on all Working Days from the date of this Prospectus until the Offer Closing Date.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### A) Material contracts for the Offer

1. Offer Agreement dated June 29, 2023 between our Company, Selling Shareholders and the Lead Manager.
2. Registrar Agreement dated June 29, 2023 between our Company, Selling Shareholders and Registrar to the Offer.
3. Underwriting Agreement dated January 23, 2024 amongst our Company, the Underwriter, Selling Shareholders and the Lead Manager.
4. Market Making Agreement dated January 11, 2024 amongst our Company, Market Maker and the Lead Manager.
5. Share escrow agreement dated December 13, 2023 entered into between the Selling Shareholders, our Company and the Share Escrow Agent.
6. Bankers to the Offer Agreement dated December 01, 2023 amongst our Company, the Lead Manager, Banker(s) to the Offer and the Registrar to the Offer.

#### B) Material documents for the Offer

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated July 24, 2023 in relation to the Offer and other related matters.
3. Shareholders' resolution dated August 17, 2023 in relation to the Offer and other related matters.
4. Consents of our Promoter, Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory Auditor and Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Offer, Underwriters to the Offer, Market maker to the offer and the Registrar to the Offer to include their names in Draft Prospectus and to act in their respective capacities.
5. Consent letters each dated January 17, 2024 from the Selling Shareholders in relation to the Offer for Sale.
6. Consent dated January 29, 2024 from Ramesh V. Vaghela, Chartered Engineer to include their name as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an independent chartered engineer and with respect to the details derived from their certificate dated January 29, 2024.
7. Peer Review Auditors Report dated January 29, 2024 on Restated Financial Statements of our Company for the period ended August 15, 2023, Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021.
8. The Report dated January 24, 2024 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Prospectus.
9. Copy of approval from NSE vide letter dated January 05, 2024 to use the name of NSE in the Draft Prospectus/ this Prospectus for listing of Equity Shares on Emerge Platform of NSE India.
10. Due diligence certificate shall be submitted to SEBI by Lead Manager to the Offer.
11. Shareholders' agreement dated September 10, 2020, executed between Bharatkumar Patel, Dilipkumar Dholaria, Dhirajbhai Munjapara, Nareshkumar Virja, Prafulbhai Radadia, Jasmin Bharvaliya, Vinodbhai Dobariya, Varsha Vasiyani and the erstwhile shareholders namely, Arun Goel, Kusum Goel, Saurabh Goel, Madhav Goel, Laxmi Jain, Rina Jain, Sushma Jain and our Company.

12. Share purchase agreement dated July 13, 2022 executed between Satishkumar Maniya, Rameshbhai Kakadiya, Sunilkumar Shah and Dilipkumar Dholaria, Dhirajbhai Munjapara, Jasmin Barvaliya, Bhanubhai Kunjadiya, Rajeshkumar Munjpara, Sandip Raiyani and our Company and amended dated August 10, 2023
13. Shareholder agreement dated July 13, 2022 executed our Company and Bharatkumar Patel, Payal Jain, Nareshkumar Virja, Prafulbhai Radadia, Linaben Katrodiya, Bhagwanbhai Katrodiya, Ashaben Katrodiya, Rashmita Katrodiya and Satiskumar Maniya, Rameshbhai Kakadiya, Sunilkumar Shah and amended dated August 10, 2023.
14. Certificate dated February 01, 2024 issued by our statutory auditors certifying KPIs.
15. Copies of the annual report of our Company for the Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021.
16. Tripartite agreement dated January 13, 2023 amongst our Company, Central Depository Services (India) Limited and Registrar to the Offer.
17. Tripartite agreement dated January 21, 2023 amongst our Company, National Securities Depository Limited and Registrar to the Offer.
18. Board Resolution dated August 29, 2023 for the approval of this Draft Prospectus and dated February 01, 2024 for the approval of the Prospectus.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

NAME OF DIRECTOR AND DIN	DESIGNATION	SIGNATURE
<b>Bharatkumar Patel</b> DIN: 07780251	Managing Director and Chief Executive Officer (CEO)	Sd/-
<b>Prafulbhai Radadia</b> DIN: 09660425	Whole-Time Director	Sd/-
<b>Anilkumar Singh</b> DIN: 07527765	Non-Executive Director	Sd/-
<b>Bipinkumar Hirpara</b> DIN: 08249274	Non-Executive Independent Director	Sd/-
<b>Mona Patel</b> DIN: 10042161	Non-Executive Independent Director	Sd/-

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

<b>Aman Malpani</b> PAN: COJPM3337P	Sd/-
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**Date:** February 01, 2024

**Place:** Vadodara, Gujarat