





## SHREE GANESH REMEDIES LIMITED

Our Company was originally incorporated as Shree Ganesh Remedies Private Limited at Ahmedabad, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated April 27, 1995 bearing registration number 025661 issued by Assistant Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on July 12, 2017 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated July 28, 2017 and to consequent legal status the name of our Company was changed to "Shree Ganesh Remedies Limited". Our Company was originally listed on SME platform of BSE Limited on October 13, 2017, subsequently migrated on the Main Board platform of BSE Limited vide their notice dated November 23, 2020. The Corporate Identification Number is L24230GJ1995PLC025661.

**Registered Office:-** Plot no. 6011, G.I.D.C, Ankleshwar, Gujarat, 393002  
**Tel No:** +91 02646-227777 | **Email:** investors@ganeshremedies.com | **Website:** [www.ganeshremedies.com](http://www.ganeshremedies.com)  
**Contact Person:** Sunnykumar Narwani Company Secretary & Compliance Officer

<b>PROMOTERS OF OUR COMPANY ARE CHANDULAL KOTHIA, ASHOKKUMAR KOTHIA, MANUBHAI KOTHIYA, GUNJANBHAI KOTHIA &amp; HANSHABEN KOTHIA</b>			
<b>FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SHREE GANESH REMEDIES LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY</b>			
ISSUE OF UPTO 8,40,471 PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 225/- EACH PER RIGHTS EQUITY SHARE (INCLUDING PREMIUM OF ₹215/- PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ 18,91.06 Lakhs/- @ ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 7 RIGHTS EQUITY SHARE(S) FOR EVERY 100 FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON FEBRUARY 03, 2023 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS ₹ 225/- WHICH IS 22.5 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE SECTION TITLED "TERMS OF THE ISSUE" ON PAGE 167 OF THE LETTER OF OFFER. @ Assuming full subscription and receipt of all Call Monies with respect to the Rights Equity Shares.			
<b>AMOUNT PAYABLE PER RIGHTS EQUITY SHARE</b>	<b>FACE VALUE (₹)</b>	<b>PREMIUM (₹)</b>	<b>TOTAL (₹)</b>
On Application	6	129	135
One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time	4	86	90
<b>Total</b>	<b>10</b>	<b>215</b>	<b>225</b>
* For further details on Payment Schedule, see "Terms of the Issue" on page 167.			
<b>GENERAL RISKS</b>			
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The securities being offered in the Issue have not been recommended nor approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer, Specific attention of the investors is invited to "Risk Factors" beginning on page 21 of this Letter of Offer before making an investment in this Issue			
<b>COMPANY'S ABSOLUTE RESPONSIBILITY</b>			
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Letter of Offer 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 Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.			
<b>LISTING</b>			
The Equity Shares of our Company are listed on BSE Limited ("BSE") (the "Stock Exchange"). Our Company has received "In-Principle" approvals from BSE for listing the Rights Equity Shares through their respective letters dated January 19, 2023. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited.			
<b>LEAD MANAGER TO THE ISSUE</b>		<b>REGISTRAR TO THE ISSUE</b>	
	<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>Fax No.:</b> 022 2618 6966 <b>E-mail 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 E-Mail ID:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Contact Person:</b> Yash Kadakia <b>SEBI Registration Number:</b> INM000010163		<b>BIGSHARE SERVICES PRIVATE LIMITED</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai, Maharashtra, 400059 <b>Tel. No:</b> 022- 62628200 <b>Fax No</b> 022 - 62638299 <b>E-mail Id:</b> <a href="mailto:rightissue@bigshareonline.com">rightissue@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Vijay Surana <b>SEBI Registration No:</b> INR000001385
<b>ISSUE PROGRAMME</b>			
<b>ISSUE OPENS ON:</b>	Monday, February 13, 2023		
<b>LAST DATE ON MARKET RENUNCIATION*</b>	Wednesday, February 15, 2023		
<b>ISSUE CLOSES ON:#</b>	Tuesday, February 21, 2023		

\*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

# Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Contents

<b>SECTION I - GENERAL</b> .....	<b>2</b>
CONVENTIONAL AND ABBREVIATIONS .....	2
ISSUE RELATED TERMS.....	3
INDUSTRY RELATED TERMS.....	7
ABBREVIATIONS .....	7
NOTICE TO OVERSEAS INVESTOR .....	11
FORWARD-LOOKING STATEMENTS .....	14
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA .....	16
SUMMARY OF LETTER OF OFFER .....	18
<b>SECTION II – RISK FACTORS</b> .....	<b>21</b>
THE ISSUE.....	38
GENERAL INFORMATION .....	39
<b>SECTION III – INTRODUCTION</b> .....	<b>43</b>
CAPITAL STRUCTURE .....	43
OBJECTS OF THE ISSUE.....	46
KEY INDUSTRY REGULATIONS .....	52
STATEMENT OF SPECIAL TAX BENEFITS .....	59
<b>SECTION IV – ABOUT OUR COMPANY</b> .....	<b>63</b>
OUR INDUSTRY .....	63
OUR BUSINESS .....	71
OUR MANAGEMENT .....	82
OUR PROMOTERS .....	90
DIVIDEND POLICY .....	91
<b>SECTION V – FINANCIAL INFORMATION</b> .....	<b>92</b>
FINANCIAL STATEMENTS .....	92
MANAGEMENT DISCUSSION AND ANALYSIS CONDITION AND RESULTS OF OPERATION.....	143
MARKET PRICE INFORMATION .....	151
<b>SECTION VI – LEGAL AND OTHER INFORMATION</b> .....	<b>153</b>
OUTSTANDING LITIGATION AND DEFAULTS .....	153
GOVERNMENT APPROVALS OR LICENSING ARRANGEMENTS .....	159
OTHER REGULATORY AND STATUTORY APPROVALS .....	162
<b>SECTION VII - ISSUE INFORMATION</b> .....	<b>167</b>
TERMS OF THE ISSUE .....	167
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....	198
<b>SECTION VIII – OTHER INFORMATION</b> .....	<b>200</b>
STATUTORY INFORMATION.....	200
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....	201
DECLARATION.....	202

**SECTION I - GENERAL**  
**CONVENTIONAL AND ABBREVIATIONS**

*This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.*

*References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, 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 Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Special Tax Benefits” and “Financial Statements” beginning on pages 59 and 92, respectively, shall have the meaning given to such terms in such sections.*

**CONVENTIONAL / GENERAL TERMS**

<b>TERM</b>	<b>DESCRIPTION</b>
Shree Ganesh Remedies Limited, SGRL, We or us or Our Company or “the Issuer”	Unless the context otherwise indicates or implies refers to Shree Ganesh Remedies Limited, a company incorporated as a Private Limited Company under the provisions of the Companies Act, 1956 with its registered office at Plot No. 6011, G.I.D.C., Ankleshwar-393002, Gujarat
AOA / Articles / Articles of Association	The Articles of Association of Shree Ganesh Remedies Limited, as amended from time to time
Unaudited Financial Results or Limited Review Financial Results	Limited Review unaudited Financial Results for the nine months period ended December 31, 2022.
Auditors / Statutory Auditors	The current statutory auditors of our Company Rushik J Patel & Co.
Board / Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted from time to time including any Committees thereof as the context may refer to.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Sunnykumar Narwani.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Parth Kothia.
Director(s)	Director(s) on the board of Shree Ganesh Remedies Limited as appointed from time to time, unless otherwise specified
Equity Shares/Shares	Equity Shares of our Company having face value of ₹ 10.00/- each, fully paid up, unless otherwise specified in the context thereof
Equity Shareholders / Shareholders	Persons /entities holding Equity Shares of our Company from time to time
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to chapter titled “ <b>Our Management</b> ” on page 82 of this Letter of Offer
ISIN	International Securities Identification Number is INE414Y01015
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer “ <b>Our Management</b> ” on page 82 this Letter of Offer.
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Promoter	Ashokkumar Kothia, Manubhai Kothiya, Chandulal Kothia, Hanshaben Kothia & Gunjan Kothia.

<b>TERM</b>	<b>DESCRIPTION</b>
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and which are disclosed by the Company to the Stock Exchanges from time to time.
Registered Office	Plot No. 6011, G.I.D.C., Ankleshwar-393002, Gujarat
Restated Financial Statements	The Restated Financial Information of our Company for the financial years ended March 31 of 2020, March 31, 2021 and March 31, 2022 respectively, which comprises of the statement of assets and liabilities, the statement of profit and loss, the statement of cash flow statement, including a summary of significant accounting policies and other explanatory information. For details, please see the section titled “ <b>Financial Information</b> ” on page 92 of this Letter of Offer.
Roc/Registrar of Companies	Registrar of Companies, Ahmedabad, ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Ahmedabad, Gujarat, India - 380013

### ISSUE RELATED TERMS

<b>Term</b>	<b>Description</b>
Abridged Letter of Offer or ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013
Allotment, Allot or Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, ICICI Bank Limited
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is 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 pursuant to this Issue
Allottee(s)	Person(s) who is Allotted Equity Shares pursuant to Allotment
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Letter of Offer
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process.
Application Form	Unless the context otherwise requires, an application form used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Application Money	Aggregate amount payable in respect of the Equity Shares applied for in the Issue at the Issue Price for the Application
Application Supported by Blocked Amount or ASBA	Application used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a the ASBA Account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29,



Term	Description
	2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022.
Banker(s) to the Issue Agreement	Collectively, the Escrow Collection Bank(s), the Allotment Account Bank(s) and the Refund Bank(s) to the Issue. The Banker to the issue is ICICI Bank Limited
Banker to the Issue Agreement	Agreement dated January 18, 2022 entered amongst our Company, the Lead Managers, the Registrar to the Issue and the Banker(s) to the Issue for receipt of the Application Money from Applicants/Investors making an application , transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement.
Bankers to the Issue	Collectively, the Escrow Collection Bank, the Allotment Account Banks and the Refund Account Bank to the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in “ <i>Terms of the Issue</i> ” beginning on page 167.
BSE	BSE Limited
Common Application Form / CAF	The application form used by Investors to make an application for Allotment under the Issue
Controlling Branches or Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
Designated Stock Exchange	BSE Limited
Draft Letter of Offer	The draft letter of offer dated December 21, 2022 filed with Stock Exchange.
Eligible Shareholder(s) Equity	Holder(s) / Beneficial Owner of the Equity Shares of our Company as on the Record Date
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application.
Escrow Collection Bank, Allotment Account Bank(s) or Refund Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, ICICI Bank Limited.
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, February 03, 2023, and the Renouncee(s)
ISIN	International securities identification number
Issue	This issue of up to 840471 partly paid-up Equity Shares for cash at a price ₹ 225 per Equity Share (including a premium of ₹ 215 per Equity Share) not exceeding ₹ 1891.06 Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 7 Equity Share for every 100 fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record date that is on February 03, 2023 <i>#Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.</i>
Issue Agreement	Agreement dated January 17, 2022 entered into between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to

<b>Term</b>	<b>Description</b>
	in relation to the Issue
Issue Closing Date	February 21, 2023
Issue Opening Date	February 13, 2023
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ ₹ 225/- per Rights Equity Share including a security premium of ₹ 215/- per Equity Share payable as follows: On Application: ₹ 135 per share (including a premium of ₹ 129 per Equity Share) One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time: ₹ 90 per share (including a premium of ₹ 86 per Equity Share)
Issue Proceeds or Gross Proceeds	Gross proceeds of the Issue
Lead Manager	Fedex Securities Private Limited
Letter of Offer or LOF	The final letter of offer to be filed with the Stock Exchanges and SEBI
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see <b>“Objects of the Issue”</b> beginning on page 46.
NRI(s)	An individual resident outside India who is a citizen of India or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations
Non –Institutional Investor(s)	An Investor other than a Retail Individual Investor and a Qualified Institutional Buyer
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before February 15, 2023
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Equity Shares, being February 03, 2023.
Refund Account Bank	The Banker to the Issue with whom the refund account will be opened, in this case being ICICI Bank Limited
Registrar to the Issue or Registrar	Bigshare Services Private Limited
Registrar Agreement	Agreement dated January 25, 2022 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Any person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders

<b>Term</b>	<b>Description</b>
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on February 15, 2023 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement(s) / RE's	Number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 7 Rights Equity Shares for every 100 Equity Shares held by an Eligible Equity Shareholder
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at website of SEBI and / or such other website(s) as may be prescribed by SEBI from time to time.
Stock Exchange	Stock exchange where the Equity Shares are presently listed, being BSE Limited
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

## INDUSTRY RELATED TERMS

Term	Description
4MEP	4-(2-Methoxyethyl) Phenol
ADL	Analytical method development
API	Active pharmaceutical ingredient
ATFD	Agitated Thin film Dryer
ATJ	Alcohol-to-jet
CIPET	Institute of Petrochemicals Technology
CPVC	Chlorinated Polyvinyl Chloride
CRAMS	Contract research and manufacturing services
CTO	Chief technology officer
DCS	Distributed control system
DSIR	Department of Scientific and Industrial Research, Ministry of Science and Technology of India
EHTP	Electronic Hardware Technology Park
ICT	Institute of Chemical Technology
MEE	Multiple Effect Evaporator
MMTPA	Million metric tons per annum
MT	Metric Tons
PCPIRs	Chemicals and Petrochemicals Investment Region
PLI	Production linked incentive
PPP	public-private partnership Model
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
RCPSDC	Petrochemical Skill Development Council
RSDC	Rubber Skill Development Council
R&D	Research and development
R&D Facilities	Our R&D facilities located in Manufacturing Facility 1.
SH&E	Safety health & environment
SRP Plant	Solvent recovery plant
T2E	Thiophene-2-Ethanol

## ABBREVIATIONS

Term	Description
₹, Rs., Rupees or INR	Indian Rupees
Adjusted loans and advances	Adjustment in the nature of addition to the loans and advances made in relation to certain loans which are treated as investments under Ind AS, but considered as loans by our Company
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
CAGR	Compound annual growth rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate identification number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013 along with the rules made thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CRAR	Capital adequacy ratio/Capital to risk assets ratio

<b>Term</b>	<b>Description</b>
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DP ID	Depository participant's identification
DIN	Director Identification Number
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortisation expense, as presented in the statement of profit and loss
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share
FCNR Account	Foreign currency non-resident account
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal Year or Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GoI or Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
Income Tax Act	Income-tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
IFRS	International Financial Reporting Standards
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ITAT	Income Tax Appellate Tribunal
LTV	Loan to value ratio
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
Net Asset Value per Equity Share or NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
Net Worth	Aggregate of Equity Share capital and other equity
NBFC	Non-banking financial companies
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have

<b>Term</b>	<b>Description</b>
	the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
PAN	Permanent account number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, Chennai
RTGS	Real time gross settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Rights Issue Circulars / SEBI Right Issue Circulars / SEBI Rights Issue Circular	SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and SEBI circular, bearing reference no. SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Stock Exchanges	BSE Limited
STT	Securities transaction tax
Supreme Court	Supreme Court of India
TAT	Turn around time
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S.\$, USD or U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S)
U.S. QIB	Qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act
USA, U.S. or United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund)



<b>Term</b>	<b>Description</b>
	Regulations, 1996 or the SEBI AIF Regulations, as the case may be

## **NOTICE TO OVERSEAS INVESTOR**

The distribution of this Letter of Offer, the Letter of Offer, Abridged Letter of Offer and the application form and the issue of the Rights Entitlement and the Rights Equity Shares to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Managers and the Stock Exchange. .

Our Company, the Lead Managers, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlement and the Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any offering materials or advertisements in connection with the Issue may not be distributed, whole or in part, in or into in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer or the Application Form or the Rights Entitlement Letter in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form.

Any person who makes an application to acquire rights and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any Application form as invalid where they believe that Application form is incomplete or acceptance of such Application form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of the Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer or the date of such information.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted or dispatched from the United States (unless the Application Form is submitted by a U.S. QIB in the United States who is also a QP) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

Neither the receipt of the Letter of Offer nor any sale of Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer or the date of such information.

**THE CONTENTS OF THE LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX, BUSINESS, FINANCIAL OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF THE EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGERS OR ITS AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS ENTITLEMENTS OR THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS**

#### **NO OFFER IN THE UNITED STATES**

The rights entitlements and the rights equity shares have not been and will not be registered under the United States securities act of 1933, as amended (the "US Securities Act"), or any U.S. State securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the "United States" or "U.S."), except in a transaction exempt from the registration requirements of the securities act. The rights entitlements and the rights equity shares referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any rights equity shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, this Letter of Offer should not be forwarded to or transmitted in or into the United States at any time. Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States of America. Envelopes containing an application form should not be postmarked in the United States of America or otherwise dispatched from the United States of America or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer, no payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer, the Abridged Letter of Offer and Application form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or the Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States of America (ii) does not have a registered address (and is not otherwise located) in the United States when the buy order is made and (iii) it is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable law, rules and regulations. Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application form which: (i)

appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application form headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes that the CAF is incomplete or the acceptance of such CAF may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such CAF. Rights Entitlement may not be transferred or sold to any person in the United States of America.

**NOTICE TO THE INVESTOR**

**THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.**

## FORWARD-LOOKING STATEMENTS

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

All statements contained in the Letter of Offer 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 Letter of Offer regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Letter of Offer (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:

- Impact of epidemics and pandemics with respect to recent example of COVID-19 on our business and operations;
- General economic and business conditions in the markets in which we operate and in the local, Regional, National and International economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government(s) could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- Our business and financial performance is particularly based on market demand and supply of our products;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian National, State and Local Governments;
- Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under “**Risk Factors**” and “**Our Business**” beginning on pages 21 and 71, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on our revenue could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking

statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer and neither our Company nor the Lead Managers undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

In this Letter of Offer, unless the context otherwise indicates or implies, references to ‘Shree Ganesh Remedies Limited’, the ‘Company’, ‘our Company’, the ‘Issuer’ are to Shree Ganesh Remedies Limited, and references to ‘we’, ‘our’ or ‘us’ are to Shree Ganesh Remedies Limited on a consolidated basis.

In this Letter of Offer, references to the ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions. All references herein to “India” are to the Republic of India and its territories and possessions and all reference herein to the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Letter of Offer in “crore”, “million” and “lakh” units. One crore represents 1,00,00,000. One lakh represents 1,00,000. One million is 10 Lakhs.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to page numbers of this Letter of Offer.

### FINANCIAL DATA

Unless stated otherwise and unless context requires otherwise, the financial data in this Letter of Offer is derived from the Financial Statements. We have prepared our Financial Statements in accordance with Ind AS prescribed under the Section 133 of the Companies Act 2013. Our Company publishes its financial statements in Rupees. For details, see “*Financial Statements*” on page 92.

Our Fiscal commences on April 1 of the immediately preceding calendar year and ends on March 31 of the following calendar year. Accordingly, all references to a particular Financial Year or Fiscal or FY, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

There are significant differences between Ind AS and IFRS. Our Company does not provide reconciliation of its financial information to IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Letter of Offer and it is urged that you should consult your own advisors regarding such differences and their impact on our Company’s financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

### MARKET AND INDUSTRY DATA

Aside from the above, unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information contained in such publication has been obtained from sources believed to be reliable but that the accuracy and completeness of that information are not guaranteed. Similarly, internal surveys, industry forecasts, market research and industry and market data used in this Letter of Offer, while believed to be reliable, have not been independently verified by us or the Lead Manager or its affiliates, and neither our Company, the Lead Manager, nor its respective affiliates make any representation as to the accuracy of that information.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 21 of this Letter of Offer. There can be no assurance that such third party statistical, financial and other industry information is either complete or accurate. Accordingly, Investors should not place undue reliance on this information.

### Non-GAAP measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Net Worth, return on Net Worth, Net Asset Value per Equity Share, ratio of non-current liabilities-borrowings (including current maturities of long-term borrowings) / total equity, ratio of Total Borrowings / total equity and earnings before interest, tax, depreciation and amortization have been included in this Letter of Offer. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

### **Currency of Presentation**

Unless otherwise specified or the context otherwise requires, all references to:

- ‘INR’, ‘₹’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India; and
- ‘US\$’, ‘USD’, ‘\$’ and ‘U.S. Dollars’ are to the legal currency of the United States of America.

The following table provides information with respect to the exchange rate for the Indian rupee per US\$1.00. The exchange rates are based on the reference rates released by Foreign Benchmark India Private Limited which is available on their website. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

<b>Currency#</b>	<b>As on December 31, 2022</b>	<b>As on March 31, 2022</b>	<b>As on March 31, 2021</b>	<b>As on March 31, 2020</b>
1 US \$	82.79	75.81	73.50	75.39

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

*Note: In the event that any of the abovementioned dates of any of the respective financial years is a public holiday, the previous calendar day not being a public holiday has been considered.*

## SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including the sections, “*Risk Factors*”, “*Industry Overview*”, “*Our Business*”, “*Objects of the Issue*”, “*Outstanding Litigation and Defaults*”, and “*Financial Statements*” on pages 21, 63, 71, 46, 153 and 92 respectively.

### SUMMARY OF BUSINESS

Shree Ganesh Remedies Limited (SGRL) was started with a core focus as pharmaceutical intermediate manufacturing company in India, which is involved in the development of a Basic as well as Advanced intermediates for the API active pharmaceutical ingredients (“APIs”), for the generic and regulated market. The Company has also recently entered into the new chemical entity (“NCE”), the synthesis of which is the first step in the process of drug development. Pharmaceutical intermediates are the chemical compounds that are the building blocks used in the production of APIs or are produced during the process of manufacturing or synthesis of APIs and further undergoes molecular changes and processing before final transformation into an API, which are then used in a finished formulation of the pharmaceutical product.

Our Company is as ISO 9001:2015, ISO 14001:2015 BS and ISO 45001:2018 certified Company which, is actively engaged in manufacturing of pharma intermediates and fine-chemicals.

### OVERVIEW OF THE CHEMICALS INDUSTRY IN INDIA

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

Globally, India is the third largest consumer of polymers, fourth-largest producer of agrochemicals and sixth-largest producer of chemicals. The Indian chemicals industry makes up 3.4% of the global chemicals industry. In 2019, the Indian chemicals market stood at US\$ 178 billion and is forecast to reach US\$ 304 billion by 2025. The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals.

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

### PROMOTERS

Promoters of our Company are Chandulal Kothia , Ashokkumar Kothia, Manubhai Kothiya, Hanshaben Kothia & Gunjan Kothia.

### OBJECTS OF THE ISSUE

The Net Proceeds are proposed to be used in accordance with the details set forth below:

Sr. No.	Objects – Description	Amount (Rs. in Lakhs)
1.	Part repayment or prepayment of unsecured loans availed from the Promoters and member of the Promoter Group	997.25
2.	Meeting incremental working capital requirements	400.00
3.	General corporate purposes *	438.81
Net Proceeds		<b>1836.06</b>

*\*The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds. Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio*

For further details, see “*Objects of the Issue*” beginning on page 46.

### INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTER

**Our Promoters and Member(s) of the Promoter Group have, vide their letter dated October 15, 2022**

**(the “Subscription Letters”) confirmed that:**

- (a) they would subscribe, jointly and / or severally upto their Rights Entitlement;
- (b) they would subscribe to Rights Entitlement that may be renounced in their favour by any other Promoters or Member(s) of the Promoter Group of our Company in accordance with Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations; and
- (c) they may at their discretion subscribe to, either individually or jointly and / or severally with any other Promoters or Member(s) of the Promoter Group, for additional Rights Equity Shares, including subscribing to the unsubscribed portion (if any) in this Issue.

The Promoter has confirmed that such acquisition of Equity Shares will not result in a change of control or the management of the Company, and any such acquisition shall be subject to the aggregate shareholding of the Promoter and Promoter Group of the Company not exceeding 75% of the issued, outstanding and fully paid-up equity share capital of the Company after the Issue.

Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled.

**SUMMARY OF RESTATED FINANCIAL STATEMENTS**

Following are the details as per the Unaudited Financial Information for the nine months period ended December 31, 2022 and Restated Financial Information as at and for the Financial Years ended on March 31, 2022, March 31, 2021 and March 31, 2020:

Particulars	December 31, 2022*	March 31, 2022 (Restated)	March 31, 2021 (Restated)	March 31, 2020 (Restated)
Revenue from Operations	6,089.26	7128.81	4908.23	5842.56
EBITDA	1772.43	2148.84	1574.26	1512.53
Profit after tax	1,115.32	1339.86	975.42	962.45
Share Capital	1200.67	1200.67	1000.64	897.14
Reserves and Surplus	5569.08	4972.42	4015.38	3328.12
Net Worth	*	6177.35	5024.21	4237.09
Basic & Diluted Earnings per share (Before Bonus)	9.29	11.16	9.75	10.73
Basic & Diluted Earnings per share (After Bonus)	9.29	11.16	8.12	8.02
Net Asset Value per Equity Share (On actual No. of Shares)	*	51.40	50.20	47.20
Net Asset Value per Equity Share (On weighted No. of Shares)	*	51.40	41.80	35.30
Return on Net Worth (%)	*	21.69	19.41	22.71
Total Borrowings	4296.89	-	21.47	2251.14

\*As per unaudited Financial Result submitted to Stock Exchanges

**SUMMARY OF OUTSTANDING LITIGATION AND DEFAULTS**

A summary of material outstanding legal proceedings involving our Company, Promoter & Directors identified in accordance with the SEBI ICDR Regulations as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is provided below.

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Material civil litigation	Aggregate amount involved (₹ in lakh)*
<b>Company</b>					
By the Company	1	-	-	-	Not Quantifiable

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Material civil litigation	Aggregate amount involved (₹ in lakh)*
Against the Company	1	3	2	-	424.08
<b>Directors</b>					
By the Directors	-	-	-	-	-
Against the Directors	-	-	-	-	-
<b>Promoters</b>					
By the Promoters	-	-	-	-	-
Against the Promoters	-	3	-	-	1.00
Disciplinary action in the last five Fiscals	-	-	-	-	-

## RISK FACTORS

Specific attention of the Investors is invited to the section “*Risk Factors*” on page 21 of this Letter of Offer. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

## CONTINGENT LIABILITIES OF OUR COMPANY

For details of the contingent liabilities as per Ind AS 37 for the financial year ended March 31, 2022, March 31, 2021, and March 31, 2020 and nine months period ended December 31, 2022, see “*Financial Statements*” on page 92.

## RELATED PARTY TRANSACTIONS

For details of the Related Party Transactions as per Ind AS 24 entered into by our Company for the financial year ended March 31, 2022, March 31, 2021, and March 31, 2020 and nine months period ended December 31, 2022, see “*Financial Statements*” on page 92 of this Letter of Offer.

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

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Letter of Offer.

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

Our Company has not split or consolidate Equity Shares in the last one year as on the Letter of Offer.

## SECTION II – RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including in “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Selected Statistical Information” and “Financial Statements” before making an investment in our Equity Shares.*

*This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to “we”, “us” “our” refers to our Company together with our Subsidiaries, on a consolidated basis. For updates in relation to financial and operational performance as of and for the period ended December 31, 2022, see “Management Discussion and Analysis Condition and Results of Operation” beginning on page 143.*

### INTERNAL RISKS

**1. *We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances.***

Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances such as phenol, hydrogen, ethylene oxide, isobutylene gas, tetrahydrofuran, methanol, toluene and methylene dichloride amongst others, and we are required to obtain approvals from various authorities for storing hazardous substances. We are subject to operating risks associated with handling of such hazardous materials such as possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage and environmental contamination. In the event of occurrence of any such accidents, our business operations may be interrupted. Any of these occurrences may result in the shutdown of one or more of our manufacturing facilities and expose us to civil and / or criminal liability which could have an adverse effect on our business, financial condition and results of operations. Further, such occurrences may result in the termination of our approvals for storing such substances or penalties thereunder. Moreover, certain environmental laws impose strict liability for accidents and damages resulting from hazardous substances and any failure to comply with such laws may lead to closure, penalties, fines and imprisonment.

**2. *We are dependent on our R&D activities for our future success. If we do not successfully develop or commercialise new products in a timely manner, or if the products that we commercialise do not perform as expected, our business, results of operations and financial condition may be adversely affected.***

Our success depends significantly on our ability to develop and commercialise new products in a timely manner. The development and commercialisation processes are both time consuming and costly and involve a high degree of business risk. During these periods, our competitors may be developing similar products of which we may be unaware of that could compete directly or indirectly with our products under development. Due to the prolonged period of time for developing a new product and delays associated with regulatory approval process, we may invest resources in developing products that will face competition of which we are currently unaware. Such unforeseen competition may hinder our ability to effectively plan the timing of our product development, which could have an adverse impact on our results of operations and financial condition.

**3. *Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, financial condition and results of operations.***

We operate in highly regulated industry and our operations are subject to extensive regulation in each market in which we do business. Regulatory authorities in each of these markets must approve our products before we or our distributors can market them. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, processing, handling, storage, transport or



disposal of hazardous substances including employee exposure to hazardous substances and other aspects of our manufacturing operations. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to legal proceedings, which could lower our profits in the event we were found liable and could also adversely affect our reputation. We are also required to obtain permits from governmental authorities for certain aspects of our operations. These laws, regulations and permits often require us to purchase and install expensive pollution control equipment or to make operational changes to limit impacts or potential impacts on the environment and/or health of our employees. Further, our compliance with these laws and regulations and our obtaining the necessary governmental permits are often a prerequisite for customer orders.

**4. *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.***

The COVID-19 pandemic has had, and any future pandemic or widespread public health emergency could have, repercussions across regional and global economies and financial markets. The outbreak of COVID-19 in many countries, including India, Europe and the United States, has significantly and adversely impacted economic activity and has contributed to significant volatility and negative pressure in financial markets, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis, recession or depression, despite monetary and fiscal interventions by governments and central banks globally.

The global impact of the outbreak has been rapidly evolving. Most of the jurisdictions, including where we have business operations, have reacted by instituting restrictive measures including invoking lock-downs and quarantines, requiring the closure of non-essential businesses and placing restrictions on the types of businesses that may continue to operate, mandating restrictions on travel, implementing “shelter-in-place” rules and “stay-at-home” orders, and enforcing remote working regulations. No prediction can be made of when any of the restrictions currently in place will be further relaxed or expire, or whether or when further restrictions will be announced. Although, depending on how well COVID-19 situation is under control, some government authorities are beginning to ease or lift these restrictions, the impacts from the severe disruptions caused by the effective lock-down and shutdown of large segments of the global economy remain unknown.

There can be no assurance that there will not be any material impact on our operations if the outbreak of COVID-19 is not effectively controlled. Further, although the products we manufacture were declared as essential business products and were able to adjust our business to continue operating during the lockdown, there can be no assurance that further restrictions will not be introduced. Further, we may be required to quarantine employees that are suspected of being infected of COVID-19, as well as others that have come into contact with those employees or shut down our manufacturing facility, which could have an adverse effect on our business operations. If any of our suppliers or other service providers are affected by COVID-19 and consequently to the extent our supply chain or distribution is disrupted, this may affect our ability to meet the demand of our customers.

The extent to which the COVID-19 pandemic, and the related global economic impact, affect our business, financial condition and results of operations will depend on future developments that are highly uncertain and cannot be predicted, including the spread, scope and duration of the COVID-19 pandemic and any recovery period, the effectiveness of further steps taken by the GoI and the RBI to mitigate the economic impacts in response to the pandemic, the effects on our customers, counterparties, employees and third-party service providers, and the time it takes for economic activities to return to pre-pandemic levels. As of the date of this DLOF, there is significant uncertainty relating to the severity of long-term adverse impact of the ongoing COVID-19 pandemic on the domestic and global economy, domestic and global financial markets, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our speciality chemicals business. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this section

5. ***There are pending litigations against our Company and certain of our Directors. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, results of operations and financial condition.***

Certain legal proceedings involving our Company and certain of our Directors are pending at different levels of adjudication before various courts, tribunals and authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties, we may need to make payments or make provisions for future payments and which may increase expenses and current or contingent liabilities.

A summary of outstanding litigation proceedings involving our Company and Directors, as disclosed in “***Outstanding Litigation and Material Developments***” on page 153 in terms of the SEBI ICDR Regulations as of the date of this DLOF is provided below.

<b>Name of Entity</b>	<b>Criminal proceedings</b>	<b>Tax proceedings</b>	<b>Statutory or regulatory proceedings</b>	<b>Material civil litigation</b>	<b>Aggregate amount involved (₹ in lakh)</b>
<b>Company</b>					
By the Company	1	-	-	-	Not Quantifiable
Against the Company	1	3	2	-	424.08
<b>Directors</b>					
By the Directors	-	-	-	-	-
Against the Directors	-	-	-	-	-
<b>Promoters</b>					
By the Promoters	-	-	-	-	-
Against the Promoters	-	3	-	-	1.00
Disciplinary action in the last five Fiscals	-	-	-	-	-

For further information, see “***Outstanding Litigation and Material Developments***” on page 153.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour, or that no (additional) liability will arise out of these proceedings. In addition to the foregoing, we could also be adversely affected by complaints, claims or legal actions brought by persons, before various forums such as courts, tribunals, consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our products and services, our technology and/or intellectual property, our branding or marketing efforts or campaigns or our policies or any other acts/omissions.

6. ***Any recall of our products could adversely affect our business, prospects, reputation and results of operations.***

Defects, if any, in our products could require us to undertake product recalls whether voluntary or in compliance with order of a regulatory authority. We may be required to expend considerable resources in undertaking such recalls and the demand for our products could be adversely affected. We have ongoing obligations to the regulatory authorities in the markets we operate, both before and after a product’s approval and commercial release. These regulatory authorities may at any time audit our manufacturing facility or the efficacy of our products based on newly developed scientific knowledge or other factors. Such assessments may result in such regulatory authorities amending or withdrawing our existing approvals to manufacture and market our products in certain jurisdictions, which may also entail us having to recall our products from the relevant markets.

7. ***We require various licenses and approvals for undertaking our businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect our operations.***

Our business operations are subject to various laws, the compliance of which is supervised by multiple regulatory authorities and government bodies. In order to conduct our business, we are required to obtain multiple licenses, approvals, permits and consents. Most of these approvals and licenses are subject to ongoing inspection and compliance requirements and are valid only for a fixed period of time subject to renewals and accreditations. If we fail to renew, obtain or retain any of such approvals, in a timely manner, or at all, our business and operations may be adversely affected.

8. ***We derive a significant part of our revenue from major customers and we do not have long term contracts with all of these customers. If one or more of such customers choose not to source their requirements from us or to terminate our long-term contracts, our business, financial condition and results of operations may be adversely affected.***

Our customer base currently comprises a host of multinational and domestic companies. Of our gross revenue from operations in the nine months period ended December 31, 2022 and Financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 our top 10 customers contributed approximately 80.99%, 72.06%, 82.25% and 95.00% respectively. We expect that we will continue to be reliant on our major customers for the foreseeable future. Accordingly, any failure to retain these customers and/or negotiate and execute contracts on terms that are commercially viable, with these select customers, could adversely affect our business, financial condition and results of operations. In addition, any defaults or delays in payments by a major customer or the insolvency or financial distress by a major customer may have an adverse effect on business, financial condition and results of operations.

9. ***Our Company does not own the land on which our manufacturing facility and registered office are located.***

Our Company does not own the land on which our registered office and manufacturing facility is situated. We have taken the land on lease from Gujarat Industrial Development Corporation. In the event such lease is not renewed or is terminated, it could adversely affect our operation unless we arrange for similar premises. If we are unable to continue or renew the lease on same or similar terms, or find alternate premises on lease on similar terms or at all, it may affect our business operations.

10. ***Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

We have employed a significant number of employees. We are unable to assure you that we will not experience disruptions in our operations due to disputes or other problems with our work force, which may lead to strikes, lock - outs or increased wage demands. Such issues could have an adverse effect on our business, and results of operations.

11. ***Breakdown of machinery and / or equipment used for the purpose of manufacturing process.***

Any breakdown or defect in the machinery and / or the equipment used for the purpose of our manufacturing process, may delay the production process as a whole and result in missing deadlines in delivery of products if we are unable to repair the machines or replace it within relevant timelines. Any such delays may have an adverse effect on the business of the Company.

12. ***We are subject to strict quality requirements, regular inspections and audits by our customers, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our business, financial condition, results of operations and prospects***

We develop, manufacture and market a diverse range of advanced intermediates and speciality chemicals which have applications in the pharmaceutical, agrochemicals, material science, coatings, high performance photography, food additives and oil & gas segments of the chemical industry. Our customers maintain strict qualification and/or certification procedures. Our products go through various quality checks at various stages including random sampling check and quality check internally. Many of our key customers have audited and approved our facilities and manufacturing processes in the past and may undertake similar audits periodically in the future. These successful audits play a critical role in customer retention, and any issues that arise in the course of these audit may lead to loss of the

particular customer. Further, failure of our products to meet prescribed quality standards may result in rejection and reworking of our products. This may result in our customers cancelling present or future purchases of our products and could adversely affect our business, financial condition and results of operations.

We also have procured ISO Certificate of quality standards for our major operations at Manufacturing stability. Any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business, financial condition, results of operations and prospects.

**13. *Exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a portion of our expenditures are denominated in foreign currencies.***

Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly the U.S. Dollars. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees, particularly the U.S. Dollar. Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. While we hedge a portion of the resulting net foreign exchange position, we are still affected by fluctuations in exchange rates among the U.S. dollar and the Indian Rupee and we cannot assure you whether hedging or other risk management strategies will be effective. Additionally, we have earned gains due to these fluctuations in foreign currency in the nine months period ended December 31, 2022 for Financial Year ended March 31, 2022, March 31, 2021 and March 31, 2020 is 206.66 Lakhs, 265.76 Lakhs, 96.42 Lakhs and 214.92 Lakhs respectively. These gains were related to instances where the market exchange rate at the time of transaction was in our favour or against us as compared to the rates.

**14. *We may require substantial financing for our business operations and planned capital expenditure and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability***

A significant amount of our capital expenditure during FY19 to FY21 was aimed at increasing our manufacturing and R&D capacities. Our management adopts and implements business strategies that take into account a number of macro and micro economic considerations, including our current financial condition and expected levels of growth over the medium to long term. In addition, we expect to incur our expenditure from the objects of the Offer. For further information, see “*Objects of the Offer*” on page 46.

In the future, we may require substantial capital for our business operations and planned capital expenditure to maintain and grow our existing infrastructure, purchase equipment and develop and implement new technologies in our new and existing manufacturing facilities. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your investment in our Company and could adversely impact our future Equity Share price.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. Our ability to raise debt financing on acceptable terms also depends on our credit ratings. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, financial condition and results of operations.

**15. *Our proposed capacity expansion plans via one of our new manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns***

We intend to set-up a new manufacturing facility in Dahej, Gujarat and at Ankleshwar, Gujarat to expand capacities in our popular product segments and launch new product segments (“**New Projects**”). The Company intended to fund its expansion at Ankleshwar from a combination of internal accruals and borrowed funds.

Our Project remains subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. Problems that could adversely affect our expansion plans include labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. Further, there can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

The Project will require us to obtain various approvals, which are routine in nature including approvals such as consent to establish and fire-no objection certificate. In addition to such pending approvals, we will also need to apply for certain additional approvals required for the Project. There can be no assurance that we will be able to obtain these registrations and approvals including approvals in relations to power and water procurement in a timely manner or at all. Further, in the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

**16. *Any regulatory actions and penalties for any past or future non-compliance may adversely affect our business or reputation, or both.***

We have to comply with numerous regulatory filings, maintenance of record etc under the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 (“Listing Regulation”), Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 2011 and any other laws and regulation as applicable. We may have failed to comply or maintain certain record as per the applicable law. Our Company endeavours to comply with all such obligations/reporting requirements, there may be nondisclosures/delayed/erroneous disclosures and/or any other violations which might have been committed by us, and the same may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and Rules and Regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

**17. *We are dependent on our management team and Key Managerial Personnel for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.***

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the management team and staff could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

18. ***Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations.***

Our operations are subject to various risks inherent to the chemicals industry and to the sale and maintaining inventory of products, as well as other risks such as theft, robbery, acts of terrorism and other force majeure events. We may not maintain sufficient insurance coverage for anticipated risks which are standard for our type of business and operations. Our insurance policies cover losses in the case of natural calamities, fire, special perils, burglary and theft. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected.

19. ***We engage contract labour for carrying out certain business operations. Requirement to fund their wage requirements may have an adverse impact on our business, financial condition and results of operations.***

In order to retain operational efficiencies, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. 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 independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our business, financial condition and results of operations.

20. ***Information relating to the installed manufacturing capacity of our manufacturing facilities included in this LOF are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the historical installed capacity and estimated capacity utilization of our manufacturing facilities included in this DLOF is based on various assumptions and estimates of our management and an independent chartered engineer, including assumptions relating to expected operations, availability of raw materials, expected unit utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in stock keeping units for a particular product, unscheduled breakdowns, mould changeover as well as expected operational efficiencies. Actual production volumes and capacity utilization rates may differ significantly from the estimated production capacities and historical capacity utilization of our manufacturing facilities. Investors should therefore not place undue reliance on our historical installed capacity information for our existing manufacturing facilities included in this DLOF.

21. ***The demand of our products in foreign countries is subject to international market conditions and regulatory risks that could adversely affect our business, financial condition and results of operations.***

We export our products to over 21 countries. During the nine months period ended December 31, 2022 and for Financial Year ended March 31, 2022, March 31, 2021 and March 31, 2020 our total income from our exports amounted to ₹ 4071.06 Lakhs and ₹4554.23 Lakhs, 935.36 Lakhs, 4700.17 Lakhs respectively, which constituted 66.86% and 63.88%, 42.84%, 80.45% respectively, our revenue from operations. Therefore, any developments in the global chemical industry or the industries in which our customers operate could have an impact on our sales from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the European Community and the United States, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. Any such imposition of trade barriers may have a material adverse effect on our business, financial condition and results of operation.

22. ***Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.***



Our business requires a significant amount of working capital. We are also required to meet the increasing demand and for achieving the same, adequate stocks are required to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we make provisions for bad debts, including those arising from such defaults based primarily age of the debt and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims.

All of these factors may result, in increase in the amount of receivables. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

- 23. *There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our management and our Board of Directors, though it shall be monitored by the Audit Committee. The objects of the Offer for which funds are being raised have not been appraised by any bank or financial institution and are based on management estimates.***

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

Our funding requirement set out in the chapter “*Objects of the Issue*” on page 46 of this Letter of Offer including working capital requirement are based on management estimates and has not been appraised by any bank or financial institution. Our funding requirements are based on our current business plan and may vary based on various factors including macroeconomic changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and the utilization of proceeds from the Issue may also change. This may also include re-scheduling the proposed utilization of Issue Proceeds at the discretion of our management. Moreover, we have also not entered into definitive agreements to utilise the proceeds from the Issue for certain objects of the Issue. We may make necessary changes to the utilization of Issue Proceeds in compliance with the provisions of the Companies Act. In the event of any variation in actual utilization of the Issue Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.

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

As per our Restated Financial Information, our cash flows from operating, investing and financing activities are as set out below:

(₹ in lakhs)

Particulars	For the Financial Year ended		
	March 31, 2022	March 31, 2021	March 31, 2020
Net Cash Generated from Operating Activities	1341.67	331.16	387.85
Net Cash Generated from Investing Activities	(1191.31)	(94.21)	(290.96)
Net Cash Generated from Financing Activities	(168.76)	(65.69)	(20.91)
Net Increase / (decrease) in cash and cash equivalents	18.39	171.24	75.98

For details, please see chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 143 of this Letter of Offer.

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. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

**25. *The Company is dependent on few numbers of suppliers for purchase of product. Loss of any of this large suppliers may affect our business operations.***

As per our books of Accounts, our top ten suppliers contributes 57.58 % and , 50.92 % , 57.74 % ,and 66.62 % of our total purchase of our product/supplies for the nine months period ended December 31, 2022, and for the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 respectively. We cannot assure that we will be able to get the same quantum and quality of supplies, or any supplies at all, and the loss of supplies from one or more of them may adversely affect our purchases of stock and ultimately our revenue and results of operations. However, the composition and amount of purchase from these suppliers might change as we continue seek new suppliers for our product for better quality and price in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new suppliers, there can be no assurance that we will be able to maintain long term relationships with such suppliers or find new suppliers in time

**26. *We have incurred indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition. Our agreements with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.***

We have entered into agreements with certain banks for short-term and long-term borrowings. As on December 31, 2022, we had total outstanding borrowings of ₹ 3299.64 Lakhs. In addition to the indebtedness for the existing operations of our Company, we may incur further indebtedness during the course of our business and in order to expand the production capacity. We cannot assure you that our Company will be able to obtain further loans at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Our arrangement with our lenders contain restrictive covenants, including requirements that we obtain consent from the lenders prior to undertaking certain matters including altering our capital structure, change in shareholding, not approaching the capital markets for mobilizing additional resources either in the form of debt or equity, changing the management, dilution of Promoters’ shareholding and undertaking any new project, implementing any scheme of expansion/diversification or capital expenditure or acquiring fixed assets (except normal replacements) if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets.

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Any fluctuations in the interest rates may directly impact the interest costs of such loans. Our ability to make payments on and refinance our indebtedness will depend on our continued ability to generate cash from our future operations. While there have been no instances in the past where the Company have availed any moratoriums for payment or settlement, we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest. For details of these covenants, see the chapter titled “*Financial Information*” beginning on page 92 of the Letter of Offer.

27. ***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.***

Our Company 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 shareholder’s 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.

28. ***We do not own the certain premises which we use for the purpose of our business operations.***

We do not own the certain premises which we use for the purpose of our business operations. These premises are taken on lease by us from third parties for a certain period. 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 corporate 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 “*Our Business*” on page 71 of this Letter of Offer.

29. ***Our Promoters, Directors and KMPs may have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Our Promoters, Directors and KMPs may be deemed to be interested to the extent of the Equity Shares held by them or their relatives or in our Company or to the extent of the Remuneration or Interest received by them. For further details, see the chapters titled “*Our Management*”, “*Our Promoter and Promoter Group*” and “*Restated Financial Statements – Annexure G (Related Parties Disclosures)*” on page 82, 90, and 92 respectively of this Letter of Offer.

30. ***Reliance has been placed on declarations furnished by our Directors, for details of his profile included in this Letter of Offer.***

Our Directors and Company Secretary has been unable to trace copies of certain documents pertaining to their experience. Accordingly, our Company and the Lead Manager have placed reliance on the declarations furnished by the directors and neither we, nor the Lead Managers have been able to independently verify these details in the absence of primary documentary evidence. Further, there can be no assurances that they will be able to trace the relevant documents pertaining to their experience in the future, or at all. Therefore, we cannot assure you that all or any of the information relating to their experience included in “*Our Management*” on page 82 of this Letter of Offer is accurate.

31. ***Non-receipt of complete Call Money may have an impact of a consequential shortfall in Net Proceeds.***

The Call(s) shall be deemed to have been made at the time when the resolution authorising such Call is passed at the meeting of our Board. The Call(s) may be revoked or postponed at the discretion of our Board, from time to time. Our Company, at its sole discretion, may send one or more reminders for the Call(s) as it deems fit, and if it does not receive the Call Money as per the timelines stipulated,

it would forfeit the Application Money. Non-receipt of complete Call Money and a consequential forfeiture of the Application Money may lead to a shortfall in the Net Proceeds, which may have to be met out of internal accruals and may impact our business and our growth plans. For details, see '*Objects of the Issue*' on page 46 of this Letter of Offer.

32. ***A significant portion of the Issue proceeds will be utilized by our Company for part- repayment or prepayment of unsecured loans availed from the Promoters and member of the Promoter Group amounting to ₹ 997.25 lakhs.***

The main objects of the Issue is to partly repay or pre pay unsecured loans availed from the Promoters and member of the Promoter Group amounting to ₹ 997.25 Lakhs. For further details, please see the chapter titled "*Objects of the Issue*" beginning on page 46 of this Letter of Offer.

## **EXTERNAL RISK**

33. ***Financial instability in other countries may impact our Indian financial markets***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. 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 of investor confidence in the financial systems of other emerging markets may impact Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares

34. ***Natural or manmade disasters and health epidemics could have a negative impact on the Indian economy, damage our facilities and also destroy the outlook of our Company, being an asset heavy company.***

Natural disasters such as floods, earthquakes, famines and pandemics have in the past had a negative impact on the Indian economy, with the most recent example being the global outbreak of COVID-19 pandemic. If any such event were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure, damage to our telecom and refinery assets and the loss of business continuity or business information. In the event that our facilities are affected by any of these factors, our operations may be significantly interrupted, which may materially and adversely affect our business, financial condition and results of operations.

35. ***A third party could be prevented from acquiring control of us because of the 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. 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 our Shareholders, such a takeover may not be attempted or consummated because of the takeover regulations.

36. ***Rights of shareholders under Indian laws may differ from the laws of other jurisdictions.***

Our articles of association and Indian law govern our corporate affairs. 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 as extensive as shareholders' rights under the laws of other countries or jurisdictions.

**37. *Differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.***

Our audited financial statements contained in this Letter of Offer have been prepared and presented in accordance with Ind AS and no attempt has been made to reconcile any of the information given in this Letter of Offer to any other principles or to base it on any other standards. Ind AS differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind AS and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Ind AS contained in this Letter of Offer. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is dependent on your familiarity with Ind AS and the Companies Act. Any reliance by persons not familiar with Ind AS on the financial disclosures presented in this Letter of Offer should accordingly be limited.

**38. *We are subject to risks associated with expansion into new geographic regions***

Expansion into new geographic regions subjects us to various challenges, including those relating to our lack of familiarity with the culture, local laws and regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions

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 laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- foreign ownership constraints and uncertainties with new local business partners;
- local preferences and service requirements;
- fluctuations in foreign currency exchange rates;
- inability to effectively enforce contractual or legal rights and adverse tax consequences;
- differing accounting standards and interpretations;
- stringent as well as differing labour and other regulations;
- differing domestic and foreign customs, tariffs and taxes;
- exposure to expropriation or other government actions; and
- political, economic and social instability

By expanding into new geographical regions, we may be exposed to significant liability 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.

## **RISKS IN RELATION TO EQUITY SHARES**

**39. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may

not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlement.

- 40. *SEBI has recently streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. Further, while in accordance with the SEBI Rights Issue Circulars, the credit of Rights Entitlements shall be made into the demat accounts of the Eligible Equity Shareholders as on the Record Date, such Eligible Equity Shareholders shall be able to participate in the Issue only in accordance with the applicable laws in their respective jurisdictions.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Right Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

- 41. *No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.***

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

- 42. *We cannot guarantee that the Equity Shares issued under this Issue will be listed on the Stock Exchanges in a timely manner, if at all.***

In accordance with Indian law and practice, after our Board or committee passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the investors, we are required to apply to the Stock Exchanges for final approval for listing and trading of the Equity Shares. There could be a failure or delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of the Equity Shares on the Stock Exchanges. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period. Any failure or delay in obtaining these approvals would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, may not be indicative of the prices at which the Equity Shares will trade in the future.

**43. *Any future issuance of Equity Shares by us or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares.***

Any future issuance of our Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

**44. *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. 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.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Previously, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long-term capital gains tax in India if securities transaction tax ("STT") was paid on the sale transaction. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which our Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of our

Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our Equity Shares Rights Entitlements.

Further, the Finance Act, 2019, which has been notified with effect from April 1, 2019, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019; however, these amendments will come into effect from July 1, 2020. The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

**46. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

**47. *Overseas shareholders may not be able to participate in the Company's future rights offerings or certain other equity issues.***

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, our Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

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



The Issue Price of the Rights Equity Shares will be determined by our Company in consultation with the Lead Manager. This price may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

49. ***You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

50. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

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

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the 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 shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering 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. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

52. ***Our future fund requirements, in the form of further 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 further issue of Equity 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 or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

53. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

## THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board on November 19, 2021 and passed by our Rights Issue Committee dated October 15, 2022, pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio has been determined by the Rights Issue Committee formed by the Rights Issue Committee at their meeting held on January 24, 2023.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, detailed information included in “*Terms of the Issue*” beginning on page 167 of this Letter of Offer.

<b>Rights Equity Shares being offered by our Company</b>	Up to 8,40,471 Partly Paid up Rights Equity Shares
<b>Rights Entitlement</b>	7 Rights Equity Share for every 100 fully paid-up Equity Share(s) held on the Record Date
<b>Record Date</b>	February 03, 2023
<b>Face value per equity share</b>	₹ 10.00/- each
<b>Rights Price (Issue Price) per equity share</b>	₹ 225 per Equity Share (including a premium of ₹ 215 per Equity Share) On Application, Investors will have to pay ₹ 135 per Rights Equity Share, which constitutes 60% of the Issue Price and the balance ₹ 90 per Rights Equity Share which constitutes 40% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion, from time to time.
<b>Issue Size (Rights Size)</b>	₹ 1891.06 Lakhs. <sup>#</sup> <i>To be adjusted as per the Rights Entitlement ratio</i>
<b>Dividend</b>	Such dividend, in proportion to the amount paid-up on the Rights Equity Shares, as may be recommended by our Board and declared by our Shareholders, as per applicable law.
<b>Equity Shares subscribed, paid-up and outstanding prior to the Issue</b>	1,20,06,727 Equity Shares. For details, see “ <i>Capital Structure</i> ” beginning on page 40 of this LOF
<b>Equity Shares subscribed, paid-up and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)</b>	Up to 1,28,47,198 <sup>#</sup> Equity Shares <sup>#</sup> <i>Assuming full subscription and receipt of all Calls Monies with respect to the Rights Equity Shares.</i>
<b>Security codes for the Equity Shares</b>	<b>ISIN for Equity Shares:</b> INE414Y01015 <b>ISIN for Partly paid-up shares:</b> IN9414Y01013 <b>BSE Scrip ID:</b> SGRL and <b>BSE Code:</b> 540737
<b>ISIN for Rights Entitlements</b>	INE414Y20015
<b>Terms of the Issue</b>	For details, see “ <i>Terms of the Issue</i> ” beginning on page 167 of this LOF
<b>Use of Issue Proceeds</b>	For details, see “ <i>Objects of the Issue</i> ” beginning on page 46 of this LOF

*For details in relation to fractional entitlements, please see section titled “Terms of the Issue – Fractional Entitlements” beginning on page 167 of this Letter of Offer.*

## GENERAL INFORMATION

Our Company was originally incorporated as Shree Ganesh Remedies Private Limited at Ahmedabad, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated April 27, 1995 bearing registration number 025661 issued by Assistant Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on July 12, 2017 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated July 28, 2017 and to consequent legal status the name of our Company was changed to “Shree Ganesh Remedies Limited”. Our Company was originally listed on SME platform of BSE Limited on October 13, 2017, subsequently migrated on the Main Board platform of BSE Limited vide their notice dated November 23, 2020. The Corporate Identification Number is L24230GJ1995PLC025661.

### REGISTERED OFFICE OF OUR COMPANY

Plot no. 6011, G.I.D.C, Ankleshwar, Gujarat, 393002

Tel: +91 02646-227777

Email: [investors@ganeshremedies.com](mailto:investors@ganeshremedies.com)

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

### REGISTRAR OF COMPANIES

RoC Bhavan, Opp Rupal Park,  
Society behind Ankur Bus Stop,  
Ahmedabad, Gujarat – 380013, India.

### COMPANY SECRETARY & COMPLIANCE OFFICER

#### Sunnykumar Narwani

Plot no. 6011, G.I.D.C, Ankleshwar , Gujarat, 393002

Tel: +91 02646-227777

Email: [investors@ganeshremedies.com](mailto:investors@ganeshremedies.com)

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

### BOARD OF DIRECTORS OF OUR COMPANY

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

Name	DIN	Designation	Address
Chandulal Manubhai Kothia	00652806	Chairperson and Managing Director	303/c/6, new colony, near marathi school, G.I.D.C., Ankleshwar, Bharuch, Gujarat – 393001.
Gunjan Chandulal Kothia	07408125	Executive Director	303/c/6, new colony, near marathi school, G.I.D.C., Ankleshwar, Bharuch, Gujarat – 393001.
Parth Chandulal Kothia	08830608	Executive Director & CFO	303/c/6, new colony, near marathi school, G.I.D.C., Ankleshwar, Bharuch, Gujarat – 393001.
Jayesh Kishanlal Savjani	07740486	Non-Executive – Independent Director	V2 31 R K County, opp. Narmada college, Tavra road, opp. Narmada college, Jhadeshwar, Zadeshwar, Bharuch, Gujarat - 392011
Priyam Surendra Shah	06858411	Non-Executive – Independent Director	23, Amramanjari Bunglows, Gala Gymkhana road, opp. Chittvan, Bopal, Daskroi, Ahmedabad, Gujarat - 380058
Vaishaliben Kanjibhai Vadodariya	08061214	Non-Executive – Independent Director	A-85, Ayodhyapuram society, near green valley residency, Valak Patiya, Sarthana, Surat, Gujarat – 395006.

The details of Intermediaries are as follows:

<b>LEAD MANAGER TO THE ISSUE</b>	<b>REGISTRAR TO THE ISSUE</b>
<p><b>Fedex Securities Private Limited</b> 3rd Floor, B Wing, Jay Chambers, Nanda Patkar Road, Vile Parle (E), Mumbai – 400 057, Maharashtra, India <b>Tel No.:</b> +91 81049 85249 <b>Fax No.:</b> 022 2618 6966 <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> Yash Kadakia <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> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai, Maharashtra, 400059 <b>Tel. No:</b> 022- 62628200 <b>Fax No</b> 022 - 62638299 <b>E-mail Id:</b> <a href="mailto:rightsissue@bigshareonline.com">rightsissue@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Vijat Surana <b>SEBI Registration No:</b> INR000001385</p>
<b>STATUTORY AUDITOR &amp; PEER REVIEW AUDITOR</b>	<b>BANKERS TO THE ISSUE</b>
<p><b>M/s Rushik J Patel &amp; Co.</b> 2c-2g, 2<sup>nd</sup> Floor, Reshambhavan, Nr. Param Doctor House, Lal Darwaja, Surat. <b>Tel No:</b> +91 88662 88229 <b>Email Id:</b> <a href="mailto:mr.rushik@ymail.com">mr.rushik@ymail.com</a> <b>Contact Person:</b> Rushik Patel <b>Firm Registration No:</b> 135751W <b>Membership No:</b> 148969 <b>Peer Review No.:</b> 014621</p>	<p><b>ICICI Bank Limited</b> Capital Market Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400020 <b>Tel No:</b> 022 66818911 <b>Email Id:</b> <a href="mailto:sagar.welekar@icicibank.com">sagar.welekar@icicibank.com</a> <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a> <b>Contact Person:</b> Sagar Welekar <b>SEBI Registration No.:</b> INBI000000004</p>
<b>BANKER TO THE COMPANY</b>	<b>LEGAL ADVISOR TO THE ISSUE</b>
<p><b>Kotak Mahindra Bank Limited</b> 12 BKC, 5th Floor, G Block, Bandra Kurla Complex (BKC), Bandra (E), Mumbai- 400 051 <b>Tel No:</b> 7045574486 <b>Email Id:</b> <a href="mailto:manoj.shelar@kotak.com">manoj.shelar@kotak.com</a> <b>Website:</b> <a href="http://www.kotak.com">www.kotak.com</a> <b>Contact Person:</b> Manoj Shelar</p> <p><b>DBS Bank Limited</b> Showroom No-07 Ground and First Floor, Shlok Business Center, Udhana Darwaja, Ring Road, Surat 395002, Gujarat <b>Tel No:</b> 91.261.6675 400 <b>Email Id:</b> <a href="mailto:amitsharmak@db.com">amitsharmak@db.com</a> <b>Website:</b> <a href="http://www.dbs.com/in">www.dbs.com/in</a> <b>Contact Person:</b> Amit Kumar</p>	<p><b>Shah Advocates</b> C/3/201, Anshruti Tower, Near Janin Temple, S. G. Highway, Thatle, Ahmedabad – 380 054 <b>Contact:</b> 94268 37114 <b>Email:</b> <a href="mailto:dshahadvocate@gmail.com">dshahadvocate@gmail.com</a> <b>Web:</b> <a href="http://www.dshahadvocates.com">www.dshahadvocates.com</a> <b>Contact Person:</b> Dharmesh Shah <b>Bar Council Reg No.:</b> G/754/1991</p>

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked (in case of ASBA process) , ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process).

For details on the ASBA process, see “*Terms of the Issue*” beginning on page 167 of this Letter of Offer.

## **DESIGNATED INTERMEDIARIES**

### **Self-Certified Syndicate Banks (“SCSBs”)**

The lists of SCSBs notified by SEBI to act as SCSB for the ASBA process is available on the website of

SEBI on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details of the Designated Branches of SCSBs collecting the Application Forms, please refer to the above-mentioned SEBI link.

### **Registrar to The Issue and Share Transfer Agents (“RTA”)**

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

### **Collecting Depository Participants (“CDP”)**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Bid cum 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 Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

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

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

### **CREDIT RATING**

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

### **DEBENTURE TRUSTEES**

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

### **MONITORING AGENCY**

As per Regulation 60 of SEBI ICDR Regulations, the issue size is not exceeding ₹ 5000 Lakhs, therefore appointment of monitoring agency is not applicable to this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### **UNDERWRITING**

This Right Issue is not underwritten.

### **CHANGES IN AUDITORS DURING THE LAST THREE YEARS**

There has been no change in the Statutory Auditors of our Company during the last 3 years preceding the date of this Letter of Offer.

### **FILING**

This Letter of Offer is being filed with the Stock Exchange i.e., BSE Limited to obtain In-Principle approval. The letter of Offer shall be submitted with Stock Exchanges and SEBI for information and dissemination purpose as per the provisions of the SEBI ICDR Regulations.

Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer / Letter of Offer to the e-mail address: [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in).

### **MINIMUM SUBSCRIPTION**

As the object of the Issue does not involve financing of capital expenditure, and as our Promoter and Promoter Group, through their letter dated October 15, 2022 has confirmed their intention to subscribe to the full extent of their aggregate Rights Entitlements in the Issue and not to renounce their Rights Entitlements except to the extent of renunciation within the Promoter and Promoter Group. Accordingly, the minimum subscription criteria mentioned under the SEBI ICDR Regulations will not be applicable to the Issue.

However, the Promoter and members of Promoter group have given their intention to subscribe to additional

Rights Equity Shares, over and above their Rights Entitlements (including the unsubscribed portion in the Issue, if any) jointly or severally, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations in order to achieve the minimum subscription of 90% of the Issue in accordance with Regulation 86 of the SEBI ICDR Regulations.

**SECTION III – INTRODUCTION**  
**CAPITAL STRUCTURE**

The Share Capital of our Company as on the date of this Letter of Offer and after the proposed Issue is set forth below:

*(Amount in ₹ Lakhs, except the share data)*

Sr. No.	Particulars	Aggregate value at	
		Face value	Issue Price
<b>1</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	1,40,00,000 Equity Shares of face value of ₹ 10.00/- each	1,400.00	N.A.
	10,00,000 Preference Shares of face value of ₹ 10.00/- each	100.00	N.A.
<b>2</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>		
	1,20,06,727 fully paid-up Equity Shares of face value of ₹ 10.00/- each	1200.67	N.A.
	<b>PRESENT ISSUE IN TERMS OF THE LETTER OF OFFER (*)</b>		
	Up to 8,40,471 Partly paid up Equity shares of face value of ₹ 10.00/- each at a price of ₹ 225/- per Equity Share***	84.05	1891.06
<b>3</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE (**)</b>		
	Up to 1,28,47,198 fully paid-up Equity Shares of face value ₹ 10.00/- each	1284.72	-
	8,40,471 Partly Paid-up Equity Shares of face value of ₹ 10/- each at a price of ₹ 225/- per Equity Share (₹ 135/- Partly Paid)#	50.43	1134.64
<b>SECURITIES PREMIUM ACCOUNT</b>			
	Before this Issue as on March 31, 2022		₹ 500.51
	After all the Calls are made in respect of Rights Equity Shares****		₹ 2307.52^

\*The present Issue has been authorised by the Board of Directors of vide a resolution at its meeting held on November 19, 2021 and by the Rights Issue Committee in their meeting held on October 15, 2022.

\*\*Assuming full subscription for and allotment of the Rights Equity Shares. Please note that the Payment Schedule and the right to call up the remaining paid-up capital in one or more calls will be as determined by our Board at its sole discretion.

\*\*\*Assuming full payment of all Calls by holders of Rights Equity Shares

#On Application, Investors will have to pay ₹ 135 per Rights Equity Share which constitutes 60% of the Issue Price and the balance ₹ 90 per Rights Equity Share which constitutes 40% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion.

^Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue expenses.

**Confirmations**

1. As on the date of this Letter of Offer, the promoter and promoter group hereby confirms that:
  - a. No Equity Shares of our Company held by our Promoters or members of the Promoter Group have been are locked in, pledged & encumbered and
  - b. No Equity Shares has been acquired by our Promoter or members of the Promoter Group in the last one year immediately preceding the date of filing of the Letter of Offer except as stated below:

Name of the Promoter Group member	Date of Acquisition	No. of Shares acquired
Parth Kothia	January 31, 2023	3000
	February 01, 2023	2940
	February 02, 2023	1021
	February 03, 2023	1968
<b>Total</b>		<b>8929</b>



2. As on the date of this Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible later into Equity Shares;
3. Our Company shall ensure that any transaction in the Equity Shares by our Promoters and member of Promoter Group during the period between the date of filing this Letter of Offer and the Issue Closing Date shall be reported to the Stock Exchanges within 24 hours of such transaction.
4. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. The Rights Equity Shares, when issued shall be partly paid up. For details on the terms of this Issue, see “*Terms of the Issue*” on page 167 of this LOF.

**Intention and extent of participation by our promoter and promoter group:**

**Our Promoters and Member(s) of the Promoter Group have, vide their letter dated October 15, 2022 (the “Subscription Letters”) confirmed that:**

- (a) they would subscribe, jointly and / or severally upto their Rights Entitlement;
- (b) they would subscribe to any Rights Entitlement that may be renounced in their favour by any other Promoters or Member(s) of the Promoter Group of our Company in accordance with Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations; and
- (c) they may at their discretion subscribe to, either individually or jointly and / or severally with any other Promoters or Member(s) of the Promoter Group, for additional Rights Equity Shares, including subscribing to the unsubscribed portion (if any) in this Issue.

The Promoter has confirmed that such acquisition of Equity Shares will not result in a change of control or the management of the Company, and any such acquisition shall be subject to the aggregate shareholding of the Promoter and Promoter Group of the Company not exceeding 75% of the issued, outstanding and fully paid-up equity share capital of the Company after the Issue.

Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

**Ex-Rights price per Equity Share**

The ex-rights price per Equity Share as per Regulation 10(4)(b)(ii) of the SEBI Takeover Regulations is ₹ 254.23. The ex-rights price per Equity Share has been calculated assuming full subscription to the Issue.

**Shareholding pattern**

Set forth below is the shareholding pattern of our Company as in December 31, 2022 accordance with Regulation 31 of the SEBI Listing Regulations:

**Shareholding pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:**

1. The statement showing holding of the Equity Shares as on December 31, 2022, can be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/shree-ganesh-remedies-ltd/sgrl/540737/shareholding-pattern/>
2. The statement showing holding of the Equity Shares of the persons belonging to the “Promoter and Promoter Group” as on December 31, 2022, can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=540737&qtrid=116.00&QtrName=December%202022>
3. The statement showing holding of the Equity Shares of persons belonging to the category “Public” as on December 31, 2022, can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=540737&qtrid=116.00&QtrName=December%202022>
4. The statement showing holding of the Equity Shares of persons belonging to the category “Non-Promoter-Non-Public shareholder” can be accessed on the website of the BSE at

<https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=540737&qtrid=116.00&QtrName=December%202022>

5. The statement showing holding of the Equity Shares of persons belonging to the category “Trading Members” holding more than 1% or more of the Total Shares as on December 31, 2022 can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpdrPercent.aspx?scripcd=540737&qtrid=116.00&CompName=Shree%20Ganesh%20Remedies%20Ltd&QtrName=December%202022&Type=TM>

**The list of shareholders holding 1% or more of the paid-up capital of our Company is as under as on December 31, 2022:**

Particulars of the shareholders holding 1% or more of the paid-up capital of our Company as on December 31, 2022:

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>No. of Equity Shares</b>	<b>Percentage of the pre-Issue capital (in %)</b>
1.	Chandulal Manubhai Kothia	4941062	41.15
2.	Hanshaben Chandulal Kothia	1452754	12.10
3.	Pooja Gunjan Kothia	600000	5.00
4.	Vilasben Ashokkumar Kothia	583924	4.86
5.	Ashokkumar Manubhai Kothia	401538	3.34
6.	Hansaben Arvindbhai Vasoya	240922	2.01
7.	Gunjan Jayantibhai Dhorajiya	219720	1.83
8.	Babubhai K Kotadiya	213409	1.78
9.	Kailashben Dhansukhbhai Bhanderi	124372	1.04
	<b>Total</b>	<b>8777701</b>	<b>73.11</b>

## OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

1. Part repayment or prepayment of unsecured loans availed from the Promoters and from the member of the Promoter Group
2. Meeting Working Capital Requirements; and
3. General corporate purposes.

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

### NET PROCEEDS

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

*(₹ in Lakhs)*

Particulars	Estimated Amount
Gross Proceeds from the Issue	1891.06
Less: Issue related expenses	55.00
<b>Net Proceeds from the Issue</b>	<b>1836.06</b>

### Utilization of Net Proceeds and schedule of implementation

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

*(₹ in Lakhs)*

Particulars	Amount to be funded from Net Proceeds	Estimated utilisation of Net Proceeds in FY 2022 – 23	Estimated utilisation of Net Proceeds in FY 2023 – 24
Part repayment or prepayment of unsecured loans availed from the Promoters and from the member of the Promoter Group	997.25	774.62	222.63
Meeting incremental working capital requirements	400.00	150.00	250.00
General corporate purposes *	438.81	155.00	283.81
<b>Total</b>	<b>1836.06</b>	<b>1079.62</b>	<b>756.44</b>

*\*The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds. Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio*

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. If the funding of the said object of the offer is not completed from the Net Proceeds, then the

remaining costs shall be met from our internal accruals. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met by through means available to us, including by way of incremental debt and/or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

As and when our Company makes the Call(s) for the balance monies with respect to the Rights Equity Shares, our Company shall endeavour to utilize the proceeds raised from such Call(s) within the same Fiscal as the receipt of the said Call Monies failing which our Company shall utilize the said Call Monies in the subsequent Fiscal.

### Means of Finance

The fund requirements of the Objects detailed above are intended to be funded from the proceeds of the Rights Issue. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 62(1)(c) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

### Details of the Objects of the Issue

#### 1. Part repayment or prepayment of unsecured loans availed from the Promoters and from the member of the Promoter Group.

Since the Company required fund towards its capacity expansion projects at Dahej, Gujarat and Ankleshwar, Gujarat, the Promoters and member of the Promoter Group have advanced by way unsecured loans to the Company at various intervals. As on October 15, 2022, our Company has availed unsecured loans amounting to Rs. 997.25 Lakhs from our Promoters, Chandulal Kothia and Gunjan Kothia and from one of our members of the Promoter Group, Parth Kothia as stated below in the table. These loans are repayable on demand and there are no penalties for prepayment.

(Rs. In Lakhs)

S. No.	Name of the Lender	Outstanding Unsecured loan as on December 31, 2022	Interest (%)	Nature of Borrowing	Proposed repayment Net Proceeds.
1	Chandulal Kothia	393.75	NIL	Meeting capital requirement of our expansion project in Dahej and Ankleshwar	393.75
		100.00	NIL	For General Corporate Purpose	100.00
2	Gunjan Kothia	433.00	NIL	Meeting capital requirement of our expansion project in Dahej and Ankleshwar	433.00
3	Parth Kothia	70.50	NIL	Meeting capital requirement of our expansion project in Ankleshwar	70.50
	<b>Total</b>	<b>997.25</b>			<b>997.25</b>

Our Company shall adjust the unsecured loan given by Chandulal Kothia and Gunjan Kothia, our Promoters against the application money and call money payable by Chandulal Kothia and Gunjan Kothia, to the extent of their subscription and allotment of the Rights Equity Shares to them under the Issue, whether pursuant to their Rights Entitlement or subscription to additional Rights Equity Shares (as the case may be). Consequently, no fresh issue proceeds would be received by our Company to that extent. Further, our Company will ensure that the repayment/prepayment of these unsecured loans held by Chandulal Kothia and Gunjan Kothia, our Promoters shall not be made through proceeds of the Rights Issue except, that the Borrowings from such Promoters are adjusted only against share application money and call money payable to the extent of their subscription and allotment of the Rights Equity Shares under the Issue, other than to Parth Kothia.

## 2. Meeting Working Capital Requirements

Our business is predominantly working capital intensive. We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change. The Company is expanding its manufacturing capabilities. Having the financial stability to contribute for the expansion is instrumental for the growth and development of the organization.

Details of Company's working capital (on a standalone basis) as at March 31, 2022 & March 31, 2021 and the source of funding, on the basis of Audited Financial Information of our Company as at March 31, 2022 and March 31, 2021 as set out in the table below:

(₹ In lakhs)

Sr No	Particulars	As at March 31, 2021 (Audited)	As at March 31, 2022 (Audited)	As at March 31, 2023 (Estimated)*	As at March 31, 2024 (Projected)*
<b>I</b>	<b>Current assets</b>				
	Inventories	1271.35	1364.13	1414.20	1280.80
	Trade receivables	1332.64	1837.96	2144.09	2430.11
	Short Term Loans & Advances & Other Current Assets	536.15	900.21	927.05	1059.04
	<b>Total Current Assets (A)</b>	<b>3140.14</b>	<b>4102.30</b>	<b>4485.34</b>	<b>4769.95</b>
<b>II</b>	<b>Current liabilities</b>				
	Trade payables	620.77	947.35	1072.11	1093.54
	Other Current Liabilities	323.16	464.60	559.20	706.10
	Short Term Provisions	53.38	92.02	110.03	119.04
	<b>Total current liabilities (B)</b>	<b>997.31</b>	<b>1503.97</b>	<b>1741.34</b>	<b>1918.68</b>
	<b>Net working capital (A – B)</b>	<b>2142.83</b>	<b>2598.33</b>	<b>2744.00</b>	<b>2851.27</b>
<b>III</b>	<b>Sources of funds</b>				
	Borrowings	17.32	0	0	0
	Internal accruals / Equity	2125.51	2598.33	2594.00	2601.27
	Issue Proceeds	-	-	150.00	250.00
	<b>Total Means of Finance</b>	<b>2598.33</b>	<b>2142.83</b>	<b>2744.00</b>	<b>2851.27</b>

Note: Cash and Bank Balance is not included for net working capital computation.

\*Certified by Management, pursuant to their certificate dated February 06, 2023.

For further details, please refer to “*Financial Information*” on page 92, respectively.

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

(in days)

Particulars	Holding Levels (March 31, 2021)	Holding Levels (March 31, 2022)	Holding Levels (March 31, 2023)	Holding Levels (March 31, 2024)
Trade receivables	99	94	98	99
Inventories	95	70	65	52
Trade payables	46	49	49	44
Other Current Liabilities	24	24	26	29
Short term provision	4	5	5	5

Justification for Estimation

Particulars	Details
Trade receivables	The value of trade receivables will increase in line with the increase in business
Inventories	Increase in inventory on account of sales growth. The said sales growth will increase the value of inventory.
Trade payables	Value of trade payables will increase in line with the increase in business.
Other Current Liabilities	Value of other current liabilities will increase in line with the increase in business

\*Certified by Management, pursuant to their certificate dated February 06, 2023.

Our Company proposes to utilize upto ₹ 400.00 Lakhs from the Net Proceeds towards funding our working capital requirements. In addition to the Net Proceeds, our Company expects that the funding pattern for working capital requirements for Fiscals 2023 and Fiscal 2024 will comprise of borrowings / internal accruals.

**3. General corporate purposes**

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including but not restricted to (i) funding growth opportunities, including strategic initiatives; (ii) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (iii) working capital requirements; (iv) repayment/ prepayment of our borrowings; (v) servicing of borrowings including payment of interest; (vi) meeting of exigencies which our Company may face in the course of any business; (vii) brand building and other marketing expenses; (viii) meeting any shortfall in estimate towards issue related expenses; (ix) capital expenditure; (x) strategic initiatives; (xi) meeting expenses incurred by our Company; (xii) strengthening of our manufacturing capabilities and (xiii) any other purpose as permitted by applicable laws.

Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

**Issue Related Expenses**

The total expenses of the issue are estimated to be approximately ₹ 55 Lakhs. The break-up of estimated issue expenses are as follows:

(₹ in Lakhs)



Activity	Estimated Amount (₹ In Lakhs)*	As a % of total estimated issue expenses (1)	As a % of issue size (1)
Fees of the Lead Manager, RTA, and legal advisor, other professional service providers	30.00	54.55	1.59
Advertising and marketing expenses	4.00	7.27	0.21
Regulators including stock exchanges	15.00	27.27	0.79
Printing and distribution of issue stationary	1.00	1.82	0.05
Others, if any (to be specified)	5.00	9.09	0.26
<b>Total</b>	<b>55.00</b>	<b>100.00</b>	<b>2.91</b>

*\*The above expenses are excluding GST*

**Notes:**

1. *Assuming full subscription and Allotment of the Rights Entitlement. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall adjusted with the amount allocated towards general corporate purposes.*
2. *The fund deployed out of internal accruals up to February 02, 2023 is ₹ 6.74 Lakhs towards issue expenses vide certificate dated February 02, 2023 received from Rushik J Patel., Chartered Accountants and the same will be recouped out of issue expenses.*

**Interim use of Net Proceeds**

Our Company, in accordance with the policies established by the Board, from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration. Such investments will be approved by our Board from time to time. Our Company confirms that it shall not use the Net Proceeds for any buying, trading, or otherwise dealing in the shares of any other listed company or for any investment in the equity markets or providing inter-corporate deposits to any related parties.

Additionally, in compliance with Regulation 66 of the SEBI ICDR Regulations, our Company confirms that it shall not use the Net Proceeds for financing or for providing loans to or for acquiring shares of any person who is part of the Promoter Group or Group Companies. Further, our Company confirms that the borrowings proposed to be repaid from the Net Proceeds have not been utilised towards any payments, repayment / refinancing of any loans availed from the Promoter Group or Group Companies.

**Bridge financing facilities and other financial arrangements**

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 Letter of Offer, which are proposed to be repaid from the Net Proceeds.

**Monitoring of Utilisation of Funds**

Our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company.

Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the

Net proceeds from the Objects, as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects, as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

#### **Appraising Agency**

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

#### **Interest of promoters, promoter group and directors, as applicable objects of the issue.**

Our Promoters and Promoter Group have vide letter dated October 15, 2022 confirmed that an amount of ₹ 926.75 lakhs, which has been availed by our Company, in the nature of unsecured loans as per the details mentioned in the above table, is proposed to be repaid / adjusted towards the application money to be received by the Company, for the subscription to the Rights Equity Shares to be allotted in this Issue, from our Promoters, to the extent of their entitlement, renunciation of entitlement in favour of the members of Promoter Group (if any) in the Issue. Consequently, no fresh Issue proceeds would be received by our Company to an extent adjustment towards the application money and call money.

None of our Promoter, members of the Promoter Group and Directors have any interest in the objects of the Issue except as stated. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company, except for the part of the Net Proceeds that will be utilized towards the repayment / prepayment of unsecured loans availed by our Company from our Promoters and member of Promoter Group as cited above.



## KEY INDUSTRY REGULATIONS

Given below is a summary of certain relevant laws and regulations currently in force, applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been set out in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Our Company is engaged in business of manufacturing, marketing and sale of material handling, industrial finishing and engineered products. We are regulated by a number of central and state legislations. Additionally, our functioning requires the sanction of concerned authorities, at various stages, under relevant legislations and local by-laws.

Given below is a brief description of certain relevant legislations that are currently applicable to the business carried on by us.

### CENTRAL LAWS

The primary central legislation governing the manufacturing sector is the Factories Act, 1948. In addition, compliance of various labour related legislations, including the Payment of Wages Act, 1956, The Minimum Wages Act, 1948, Equal Remuneration Act, Employees' Compensation Act, 1923, Industrial Disputes Act, 1948, Payment of Gratuity Act, 1972, Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Bonus Act, 1965, as may be applicable in the relevant state.

#### *The Factories Act, 1948*

The Factories Act, 1948 ("**Factories Act**") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term 'factory', as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires *inter alia* the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory. In addition, the Gujarat Factories Rules, 1963 are also applicable to the Company.

#### *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 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 Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957*

The Industrial Disputes Act, 1947 ("**ID Act**") was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided

with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman's services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment

### ***The 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' Provident Fund and Miscellaneous Provisions Act, 1952***

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("**EPF Act**") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, 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 EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### ***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***

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**SHWW Act**”) provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee, which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ` 50,000/-.

### ***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 a minimum bonus which shall be 8.33% of the salary or wage earned by the employee during the accounting year or `100/- (Rupees One Hundred), whichever is higher, whether or not the employer has any allocable surplus in the accounting year. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to maximum of 20% of such salary or wage. ‘Allocable surplus’ is defined as 67% of available surplus in the financial year, before making arrangements for the payment of dividend out of profit of our Company.

### ***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 authorised 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 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).

Gratuity is payable to the employee at the rate of 15 (fifteen) days’ wages for every completed year of service or part thereof in excess of 6 (six) months.

### ***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. The main objective of the act is to prohibit the engagement of children in certain employments and to regulate the conditions of work or children in certain other employments. The act defines a child as any person who has not completed his fourteenth year of age. The act prohibits children from working in any occupation listed in Part A of the Schedule; for example: Catering at railway establishments, construction work on the railway or anywhere near the tracks, plastics factories, automobile garages, etc. The act also outlines the conditions in which children may work in certain occupations/processes.

### ***Industrial Employment (Standing orders) Act, 1946***

The Industrial Employment (Standing orders) Act, 1946 - The employers of industrial establishments are required to define with sufficient precision the conditions of employment and to make the said conditions known to the workmen. The standing orders are certified by the Labour Commissioner.

### ***Labour related legislations***

Depending upon the nature of the activity undertaken by us, the applicable labour enactments other than state-wise shops and establishments acts includes the following:

- The Apprentices Act, 1961;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employee's Compensation Act, 1923;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employees' State Insurance Act, 1948;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- The Trade Unions Act, 1926;
- Industrial Employment (Standing Orders) Act, 1946;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Equal Remuneration Act, 1976; and
- The Child Labour (Prohibition and Regulation) Act, 1986

In order to rationalize and reform labour laws in India, the GoI has notified four labour codes which are yet to come into force as on the date of this Letter of Offer, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

## **ENVIRONMENT LAWS**

We are subject to various environmental regulations as the operation of our establishments might have an impact on the environment. The basic purpose of such statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("PCBs"), have been set up in each state and at the

central level. Establishments, as prescribed under various regulations may be required to obtain consent orders from the PCBs. These consent orders are required to be renewed periodically.

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

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

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

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

#### ***The Water (Prevention and Control of Pollution) Cess Act, 1977 (“Water Cess Act”) and Water (Prevention and Control of Pollution) Cess Rules, 1978 (“Water Cess Rules”)***

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries by local authorities constituted under the Water Act, with a view to augment the resources of the central and State PCBs for the prevention and control of water pollution. The Water Cess Rules have been notified under section 17 of the Water Cess Act and provide, *inter alia*, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

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

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

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

An “occupier” has been defined as any person who has control over the affairs of a factory or premises or any person in possession of hazardous waste. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous and other wastes generated in their establishments and are required to obtain license/ authorisation from concerned PCBs, for handling, generating, collecting, processing, treating, packaging, storing, transporting, using, recycling, recovering, pre-processing, co-processing, offering for sale, or the like of the hazardous and other wastes.

#### ***Public Liability Insurance Act, 1991 (the “Public Liability Act”)***

The Public Liability Act, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of ‘hazardous substances’ covered by the legislation has been enumerated by the Government by way of a notification.

The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

## **INTELLECTUAL PROPERTY LAWS**

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957, trademark protection under the Trade Marks Act, 1999 and design protection under the Designs Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

### **The Trademarks Act, 1999**

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. The Trademarks Act governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademarks Act. An application for trademark registration may be made by individual or joint applicants by any person claiming to be the proprietor of a trade mark, and can be made on the basis of either use or intention to use a trademark in the future. Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. While both registered and unregistered trademarks are protected under Indian Law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. The Trademark (Amendment) Act, 2010 has been enacted by the Government of India to amend the Trademarks Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries, and to empower the Registrar of Trademarks to do so. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

## **TAX RELATED LEGISLATIONS**

### ***Income-tax Act, 1961***

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 assessee, under the IT Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

### ***The Customs Act, 1962***

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any company requiring to import or export any goods is required to get itself registered under this Act and obtain an Importer Exporter Code number.

### ***The Gujarat State Tax on Professions, Trade, Callings and Employments Act, 1976***

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is 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. The Gujarat State Tax on Professions, Traders, Callings and Employments Rules, 1976 have also been notified by the Government.

### ***Goods & Service Tax (“GST”)***

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

### **FOREIGN INVESTMENT REGULATIONS**

Foreign investment in India is governed by the provisions of the Foreign Exchange and Management Act (“**FEMA**”) and the rules, regulations, notifications issued under the same, read with the extant Consolidated Foreign Direct Investment Policy, as issued by the Department of Industrial Policy and Promotion (“**DIPP**”). The Reserve Bank of India (“**RBI**”), in exercise of its powers under FEMA, has notified various regulations governing the purchase, sale, allotment or subscription of securities of an Indian company to a non-resident individual or entity. Pursuant to the aforementioned legal framework, no permission is required for investment in sectors falling under the ‘automatic route’ within the specified sectoral caps.

### **OTHER LAWS**

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, SEBI Regulations and rules framed thereunder and other applicable statutes enacted by the Centre 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.

## STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors

**Shree Ganesh Remedies Limited**

Plot no. 6011, G.I.D.C, Ankleshwar , Gujarat, 393002

**Subject: Statement of Special tax benefits (“the Statement”) available to SHREE GANESH REMEDIES LIMITED (“the Company”) and the shareholders of the Company in connection with the proposed rights issue of equity shares of the Company under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 2018, as amended (“Regulations”)**

Dear Sirs,

We, the statutory auditors of the Issuer, have been requested by the Company to issue a report on the special tax benefits available to the Company and its shareholders attached for inclusion in the Letter of Offer in connection with the proposed rights issue of equity shares of the Company (the “Issue”).

The Statement has been prepared by the management of the Company and initialed by us for identification purpose only. The statement showing the current position of special direct tax benefits available to the Company and the shareholders of the Company as per the provisions of Income-tax Act 1961 (“IT Act”) (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2022 and Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 and special indirect tax benefits solely in relation to the Issue as per the provisions of the Goods and Services Tax Act, 2017 (“GST Act”) as amended by Finance Act, 2022, i.e. applicable for the assessment year AY 2023-24 relevant to the financial year 2022-23 for inclusion in the Letter of Offer (“LOF”) for the issue of rights shares is annexed herewith, which we have initialed for identification purposes only.

These possible special tax benefits are dependent on the Company and the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the corresponding tax laws. Hence, the ability of the Company and the shareholders of the Company to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company may face in the future and accordingly, the Company and the shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the tax laws. The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure I are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

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

The statement is intended solely for information and the inclusion in the Letter of Offer in connection with the rights issue of equity shares of the Company and for submission to Securities and Exchange Board of India, BSE Limited and is not be used, referred to or distributed for any other purpose, without our prior consent, provided the below statement of limitation is included in the Letter of Offer.



**Limitation**

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

**For and on Behalf of****Rushik J Patel & Co.****Chartered Accountants,****Rushik J Patel****Proprietor****Firm Reg. No. 135751W****M. No. 148969****UDIN: 23148969BGSNMQ6449****Place: - Surat****Date: February 02, 2023**

## **Annexure – I**

### **STATEMENT OF SPECIAL TAX BENEFITS**

The information provided below sets out the possible direct and indirect tax benefits (indirect tax benefits solely in relation to the Issue) in the hands of SHREE GANESH REMEDIES LIMITED (“the Company”) and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax benefits, under the current tax laws presently in force in India. Several of these benefits are dependent upon their fulfilling the conditions prescribed under the relevant direct and indirect tax laws. Hence, the ability of the Company and the shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and the shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws. The following overview 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 shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. The tax benefits stated below are as per the Income-tax Act, 1961 (“IT Act”) as amended from time to time and applicable for financial year 2022-23 relevant to assessment year 2023-24 (AY 2023-24) and special indirect tax benefits solely in relation to the Issue as per the provisions of the Goods and Services Tax Act, 2017 as amended from time to time and applicable for financial year 2022-23.

#### **A. SPECIAL TAX BENEFITS UNDER THE IT ACT IN THE HANDS OF COMPANY AND THE SHAREHOLDERS OF THE COMPANY**

##### **1. Direct Tax**

##### **Special tax benefits available to the Company under IT Act**

- A new section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) w.e.f. April 1, 2020 i.e. AY 2020-21 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives and comply with other conditions specified in section 115BAA. The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (“MAT”) on its book profits under section 115JB. The Company has exercised the above option.
- With respect to a resident corporate shareholder, a new section 80M is inserted in the Finance Act, 2020 w.e.f. 1st April 2021, which provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139. Special tax benefits available to the shareholders.
- The Company would be required to deduct tax at source on the dividend paid to the shareholders, at applicable rates. The shareholders would be eligible to claim the credit of such tax in their return of income.
- The non-resident shareholders can offer the dividend income to tax under the beneficial provisions of the Double Taxation Avoidance Agreement, if any. Further, the non-resident shareholders would be eligible to claim the foreign tax credit, based on the local laws of the country of which the shareholder is the resident.
- There are no other special tax benefits available to the shareholders (other than resident corporate shareholder) of the Company arising out of the proposed rights issue

- There are no possible special tax benefits available to the Company under Income-tax Act, 1961 read with the relevant Income Tax Rules, 1962

## **Indirect Tax**

### **Special tax benefits available to the Company and its shareholders under GST Act**

Solely in relation to the Issue, there are no special indirect tax benefits available to the Company or its shareholders.

#### ***Note:***

For the purpose of reporting here, we have not considered the general tax benefits available to the Company or shareholders under the GST and neither any special tax benefits available to the Company or shareholders under the GST Act other than for the Issue.

#### ***Notes:***

- Our views expressed in this statement are based on the facts and assumptions as indicated in the statement.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time.
- We do not assume responsibility to update the views consequent to such changes.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
- This statement has been prepared solely in connection with the Rights Issue under the Regulations as amended.

For and on behalf of the Board of Directors

**Shree Ganesh Remedies Limited**

Name: Parth Kothia

Designation: CFO

Place: Ankleshwar

Date: February 02, 2023

## SECTION IV – ABOUT OUR COMPANY

### OUR INDUSTRY

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

*Before deciding to invest in the Equity Shares, prospective investors should read this entire Letter of Offer, including the information in the sections "**Risk Factors**" and "**Restated Financial Statements**" beginning on pages 21 and 92 respectively. Accordingly, investment decisions should not be based on such information.*

#### INTRODUCTION

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

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

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

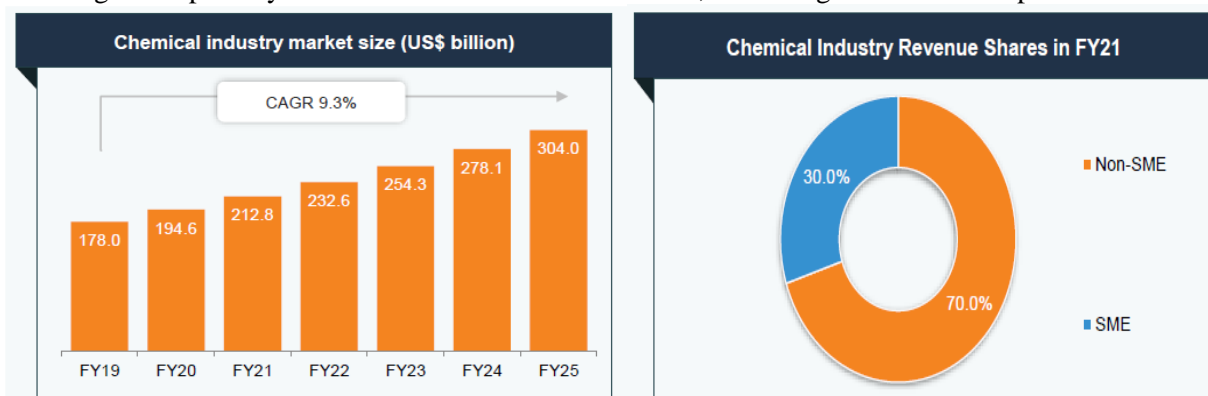
India's proximity to the Middle East, the world's source of petrochemicals feedstock, enables it to benefit on economies of scale.

#### INDIAN CHEMICALS INDUSTRY – MARKET SIZE

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

An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025. The specialty chemicals constitute 22% of the total chemicals and petrochemicals market in India.

Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report. A revival in



domestic demand and robust exports will spur a 50% YoY increase in the CAPEX of specialty chemicals manufacturers in FY22 to Rs. 6,000-6,200 crore (US\$ 815-842 million). Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and higher realisations owing to rising crude oil prices and better exports.

## FIVE KEY SEGMENTS OF CHEMICALS MARKET



### Bulk Chemicals

- These are groups of chemicals, which are manufactured on a large scale and further divided into organic, inorganic and alkali chemicals.

### Petrochemicals & Polymers

- These chemicals are derivative of several chemical compounds such as hydrocarbons, which are derived from crude oil or natural gas.

### Fertilisers

- These provide nutrients for plant growth; are divided into organic/inorganic and natural/synthetic. Further, these can be broadly classified into phosphate, potassium and nitrogenous.

### Specialty Chemicals

- These are derivatives of basic chemicals that are manufactured for specific end-use solutions. The characteristics of these chemicals include high value, high R&D and low volume.

### Agrochemicals

- These chemicals are used to protect crops against insects and pests and include fungicides, herbicides, and insecticides, among others. These chemicals can be applied in water irrigation, seeds, soils and crops.

## ADVANTAGES IN INDIA



### Growing demand

- Rise in demand from end-user industries such as food processing, personal care and home care is driving development of different segments in India's specialty chemicals market.
- The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realization due to high prices of chemicals.
- Increasing investments and spending FDI inflows in the chemicals sector (other than fertilisers) reached US\$ 20.41 billion between April 2000-June 2022.
- In August 2022, Avaada Group sign an MoU for a Rs 40,000 crore (US\$ 5 billion) Green Ammonia plant.

- An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025.

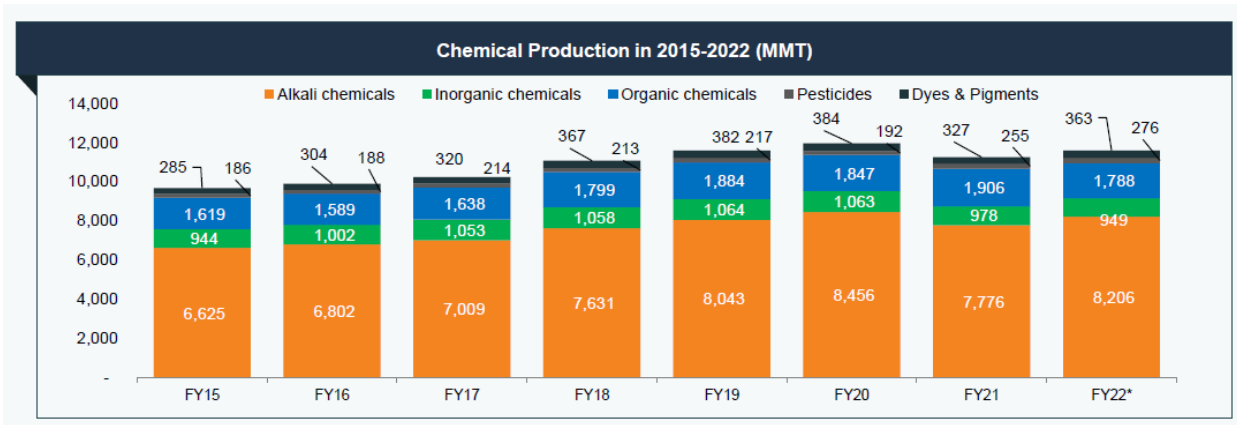
### Opportunities

- India’s specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas.
- In July 2021, the government announced discovery of indigenous deposits of phosphatic rocks. This will help expand fertiliser production domestically and boost self-reliance in fertiliser production.
- The Odisha government accepted investment applications worth ~US\$ 345.3 million in the metal, cement, chemical, plastic, food processing and manufacturing sectors in April 2021. This is likely to generate 2,755 jobs.

### Policy support

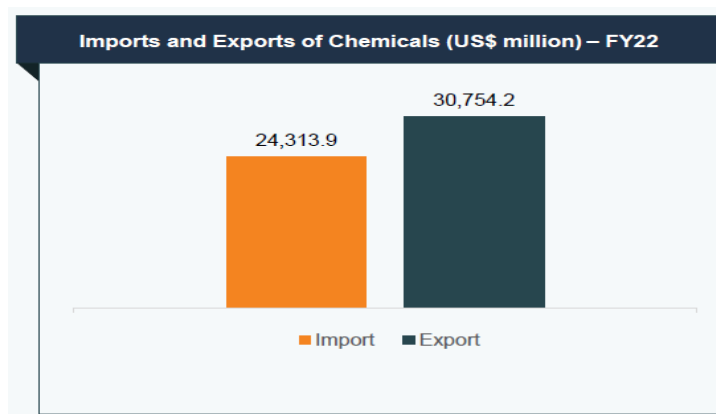
- The government plans to introduce production-linked incentive (PLI) scheme to promote domestic manufacturing of agrochemicals.
- Under the Union Budget 2022-23 the government allocated Rs. 209 crores (US\$ 27.43 million) to the Department of Chemicals and Petrochemicals.
- The PLI plan for the National Programme on Advanced Chemistry Cell Battery Storage has been approved by the Union Cabinet as of May 2021.
- PLI schemes were introduced to promote Bulk Drug Parks, with a budget of Rs. 1,629 crores (US\$ 213.81 million).

## CHEMICAL TRENDS IN INDIA



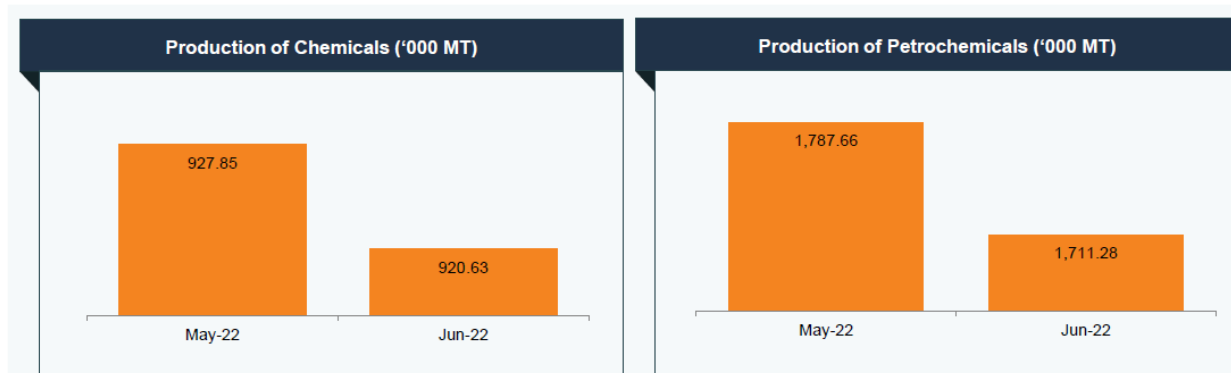
- In FY22\*, Alkali chemicals stood at 70.84% of the total chemical production.
- Government initiatives such as promotion of small and mid-sized ‘Sodium Bicarbonate’ and ‘Ammonia’ processing industries in proximity to soda ash manufacturing units is likely to boost demand for soda ash in the country.

## CHEMICAL SECTOR IMPORT AND EXPORT STATISTICS



- From April 2021-March 2022, exports of organic & inorganic chemicals increased 38.67% YoY to reach US\$ 24,313.88 million.
- Imports of organic and inorganic chemicals totalled US\$ 24.92 billion from April 2021 to March 2022, up 59.90% YoY.
- From April 2021-February 2022, imports of petroleum, crude and products stood at US\$ 141,725.18 million.
- India holds a strong position in international trading of chemicals and ranks 9th in exports and 6th in imports at a global level (excluding pharmaceuticals).

## CHEMICAL SECTOR PRODUCTION CAPACITY



- Chemical production reached 920,628 MT in June 2022, while petrochemical production reached 1,711,281 MT.
- In June 2022, production levels of various chemicals were as follows:
  - Soda Ash: 274,597 MT
  - Caustic Soda: 281,778 MT
  - Liquid Chlorine: 202,467 MT
  - Formaldehyde: 24,998 MT
  - Pesticides and Insecticides: 18,327 MT
- At the CPMA - Argus Petrochemical Online Forum held on August 25, 2021, President of India's Chemicals and Petrochemicals Manufacturers Association (CPMA), Mr. Kamal Nanavaty, said that the Indian petrochemicals industry will have to increase its production capacity tenfold to meet higher demand by 2050. He also highlighted that India's consumption is estimated to double every nine years at an annual rate of 8%.

## KEY GROWTH DRIVERS

### Growing demand

- Higher real disposable incomes
- Shift in production and consumption towards Asian and Southeast Asian countries
- Shift in consumer preference towards environment-friendly products

### Policy support

- 100% FDI under the automatic route in the chemical sector, except for hazardous chemicals
- MSIHC Rules to be merged with CAEPPR to safely handle hazardous chemicals

### Increasing investment

- Establishing PCPIRs (investment regions for petroleum, chemicals and petrochemicals)
- Domestic and overseas companies investing in greenfield or brownfield projects

- Increase in FDI investments

### **Rise in domestic demand**

- By 2030, India is likely to have ~80% of the households in the middle-income group.
- The growing middle-class and increasing urbanisation is driving the demand for personal care, agrochemicals, food, paints & coatings resulting into higher consumption of chemicals per capita

## **INVESTMENTS, DEVELOPMENTS AND ADVANTAGES IN THE INDIAN HEALTHCARE SECTOR**

A few recent developments/investments in the Indian chemical sector are as follows:

- From April 2021-March 2022, exports of organic & inorganic chemicals increased 38.67% YoY to reach US\$ 24,313.88 million.
- Chemical production reached 907,639 MT in August 2022, while petrochemical production reached 1,727,019 MT. In August 2022, production levels of various chemicals were as follows: Soda Ash: 267,416 MT, Caustic Soda: 283,279 MT, Liquid Chlorine: 203,195 MT, Formaldehyde: 26,842 MT and Pesticides and Insecticides: 18,881 MT.
- In July 2022, NTPC Renewable Energy Limited (NTPC REL) and Gujarat Alkalies and Chemicals Limited (GACL) signed an MoU to establish India's first commercial-scale Green Ammonia and Green Methanol plants.
- In November 2021, Indian Oil Corporation (IOCL) announced plans to invest Rs. 3,681 crore (US\$ 495.22 million) to set up India's first mega-scale maleic anhydride unit for manufacturing high-value specialty chemicals at its Panipat Refinery in Haryana.
- In November 2021, Praj Industries Limited and Indian Oil Corporation inked a memorandum of understanding (MoU) to explore opportunities in the production of alcohol-to-jet (ATJ) fuels, 1G & 2G ethanol, compressed bio-gas (CBG) and related opportunities in the biofuels industry.
- In November 2021, Coromandel International announced plans to set up 1,650-metric-tonnes-per-day sulphuric acid plant at its fertiliser complex in Visakhapatnam with an investment of Rs. 400 crore (US\$ 53.69 million).
- On September 30, 2021, Prime Minister, Mr. Narendra Modi, inaugurated the CIPET: Institute of Petrochemicals Technology, Jaipur.
- In October 2021, Nayara Energy announced that it expects 15-20 new integrated petrochemical plants to become operational within the next decade in the country, to meet the rising demand for raw materials used in the plastics and clothing industries.
- In October 2021, Rosneft, Russia, launched a large-scale petrochemical production development programme in India with investments worth ~US\$ 750 million at the current implemented stage.
- In September 2021, Bharat Petroleum Corporation (BPCL), announced plans to invest US\$ 4.05 billion, to improve petrochemical capacity and refining efficiencies over the next five years.
- The government is planning to hold roadshows in eight overseas markets for the proposed investors' summit planned in January 2022, with focus on the petrochemicals sector, and is eager to attract investors to its newly launched Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) near the upcoming crude oil refinery in Pachpadra village (in Barmer district, Rajasthan).

## **GOVERNMENT INITIATIVES**





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

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

- Under the Union Budget 2022-23 the government allocated Rs. 209 crores (US\$ 27.43 million) to the Department of Chemicals and Petrochemicals.
- PLI schemes have been introduced to promote Bulk Drug Parks, with a budget of Rs. 1,629 crores (US\$ 213.81 million).
- The Government of India is considering launching a production linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.
- A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement a production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
- In October 2020, the government urged players in the agrochemicals industry to come out with new molecules of global standards for the farmers' benefit, while CropLife India, the industry body, pitched for stable policies and regulatory regimes to boost growth in the sector.
- 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals. FDI inflows in the chemicals sector (other than fertilisers) reached US\$ 20.41 billion between April 2000-June 2022.
- The government has proposed several incentives for setting up a sourcing or manufacturing platform within an Indian SEZ:
- Effective April 1, 2020, 100% Income Tax exemption on export income for SEZ units for the first five years, 50% for the next five years thereafter and 50% of the ploughed back export profit for next five years.
- Single window clearance for central and state-level approvals.
- Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units.
- In December 2020, the PCPIR policy is being completely redesigned. Under the new PCPIR Policy 2020-35, a combined investment of Rs. 10 lakh crore (US\$ 142 billion) is targeted by 2025, Rs. 15 lakh crore (US\$ 213 billion) by 2030 and Rs. 20 lakh crore (US\$ 284 billion) by 2035 in all PCPIRs across the country. The four PCPIRs are expected to generate employment for ~33.83 lakh people. ~3.50 lakh persons have been employed in direct and indirect activities related to PCPIRs by the end of 2020.

## OPPORTUNITIES

### **Specialty chemicals - aggressive capex to drive growth**

- Specialty chemical companies in India have started accelerating their capex plan on the back of strong growth visibility and emerging opportunities
- Due to growing environmental concerns, many chemical companies in China ceased activities in 2018; this led to an increase in manufacturing of specialty chemicals in the Indian market to ensure uninterrupted supply
- Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report.
- A revival in domestic demand and robust exports will spur a 50% YoY increase in the capex of specialty chemicals manufacturers in FY22 to Rs. 6,000-6,200 crore (US\$ 815-842 million).
- Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and higher realisations owing to rising crude oil prices and better exports.

### **Key growth drivers in the end-user industry for specialty chemicals include the following:**

- Paints & coatings: Increase in urbanisation, increase in middle-income households, high replacement demand and increase in per capita income.
- Textile: Increase in Indian export, increase in urbanisation and higher disposal income.
- Construction: Low expenditure on admixtures compared with China and the US.
- Home care: Increased consumption.

### **Specialty chemicals - aggressive capex to drive growth**

- A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
- 100% FDI is allowed in the chemical sector under automatic route with exception to few hazardous chemicals
- The Indian Government supports the industry in research & development, reduced the basic customs duty on several products and offers support through the 'Make in India' campaign
- Four Petroleum, Chemicals and Petrochemical Investment Regions (PCPIRs) have been set up as the investment regions for petroleum, chemicals and petrochemicals along with associated services
- Industrial licensing is approved in most sectors, except for few hazardous chemicals
- The Government of India is considering launching a production-linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.

### **Chemical industry: Exploring new opportunities**

- **Value-Chain Integration**

Camlin Fine Sciences acquired Borregaard Italia Spa<sup>54</sup>, a raw-material catechol manufacture, and Ningbo Wanglong, an end-product vanillin flavour manufacturer. The vertical integration made CFS the third-largest vanillin producer worldwide.

- **Alternative and Low-Cost Feedstock**

In November 2020, NextChem, and Indian Oil Corp. Ltd. (IndianOil) signed a memorandum of understanding (MOU) to use NextChem technologies to build industrial projects to support industrialisation of India's sustainable development.

The projects would emphasis on recycling of plastics, production of biofuels from renewable feedstock and circular fuels and non-recyclable waste chemicals.

- **Global Footprint and Customer Segments**

Aarti Industries generates >40% revenue from the global markets.

UPL has a presence in multiple markets with >30% of its revenue generated from Latin America.

SH Kelkar has completed several strategic acquisitions, including China-based Anhui Ruibang Aroma and Italy's Creative Flavours and Fragrances; this helped expand its portfolio, improve technological platforms and gain access to new markets.

- **Exposure to Cutting-Edge Technologies**

Atul Chemicals, partnered with Akzo Nobel to access state-of-the-art eco-friendly hydrogenation technology for monochloroacetic acid (MCA) production in India.

## **ROAD AHEAD**

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

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

To bring about structural changes in the working of the domestic chemical industry, future investments should not only focus on transportation of fuels such as petrol and diesel, but also on crude-to-chemicals complexes or refineries set up to cater to the production of chemicals.

*(Source: [www.ibef.org](http://www.ibef.org))*

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled “**Forward-Looking Statements**” on page 14 for a discussion of the risks and uncertainties related to those statements and also the section titled “Risk Factors” on page 21, “Financial Statements” on page 90 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 131 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. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.*

In this section, a reference to the “Company” means Shree Ganesh Remedies Limited. Unless the context otherwise requires, references to “we”, “us” or “our” refers to Shree Ganesh Remedies Limited.

*Unless otherwise indicated, financial information included herein are based on our Audited Financial Statements included in this LOF beginning on page 92.*

### Overview

Shree Ganesh Remedies Limited (SGRL) was started with a core focus as pharmaceutical intermediate manufacturing company in India, which is involved in the development of a Basic as well as Advanced intermediates for the API active pharmaceutical ingredients (“APIs”), for the generic and regulated market. The Company has also recently entered into the new chemical entity (“NCE”), the synthesis of which is the first step in the process of drug development. Pharmaceutical intermediates are the chemical compounds that are the building blocks used in the production of APIs or are produced during the process of manufacturing or synthesis of APIs and further undergoes molecular changes and processing before final transformation into an API, which are then used in a finished formulation of the pharmaceutical product. Our Company was originally incorporated as Shree Ganesh Remedies Private Limited at Ahmedabad, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated April 27, 1995 bearing registration number 025661 issued by Assistant Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on July 12, 2017 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated July 28, 2017 and to consequent legal status the name of our Company was changed to “Shree Ganesh Remedies Limited”. Our Company was originally listed on SME platform of BSE Limited on October 13, 2017, subsequently migrated on the Main Board platform of BSE Limited vide their notice dated November 23, 2020.

Shree Ganesh Remedies (SGRL) is as ISO 9001:2015, ISO 14001:2015 BS and ISO 45001:2018 certified Company which, is actively engaged in manufacturing of pharma intermediates and fine-chemicals. Majority of product belongs to chemical families such as Chloroalkyl amines Salts, Friedel Craft’s derivatives, Esters and Acid chlorides. Majority of our Pharmaceutical products belongs to Anti-psychotic and Anti-parasitic Drug family accounting for 60-70% of our turnover while few intermediates go into anti-diabetic, anti-viral and anti-arrhythmic. The Company is also actively engaged in catering to the Specialty fine chemicals and polymer industry using its core chemical expertise whose contribution to the turnover ranges from 10-20%.

The manufacturing process is supported by Total Quality Management techniques and is supervised through various quality control equipment’s and qualified personnel. The Products are manufactured for export market and also for domestic and foreign markets. We entered the international market in the year 2006 and are on regular basis exporting our products to various countries.

Since our inception in 2004 we have developed and manufactured approximately fifty (50) pharmaceutical intermediates for APIs such as Amitriptyline, Nortriptyline, Haloperidol etc. Our strategic selection of products and early investments in Research and Development (“R&D”) have enabled us to become a supplier of pharmaceutical intermediates for APIs in almost eleven (11) therapeutic areas to multi-national pharmaceutical formulation companies all over the world while catering majorly to fast-growing markets of Europe followed up by UK, Japan, Singapore, Korea and the USA.

Major part of business of around 70% constitutes from manufacturing and commercialization of the pharma intermediates for latest branded API in India and overseas. 10-15% of business comes from the manufacturing of fine-chemicals and specialty chemicals and the remaining 10-15% of business comes from the contract

manufacturing projects. We believe that our long-term business relationship with our customers with more than a decade of relationship with majority of our customers, this protects us from the wins and losses of our customers to our competitors and significantly hedges us against revenue volatility.

Our products belonging to pharmaceutical sector are used in the preparation of APIs, which are a raw material for the finished pharmaceutical drug available in the market to the consumer. An API is a mother name and includes all brand extensions and combinations made available by top pharma companies to the end-consumer. We have developed and supplied advance pharma intermediates for a portfolio of leading APIs which are spread across 15 therapeutic areas, among which anti-psychotic and skeletal disorders contributes for a major part. Our product portfolio majorly includes pharmaceutical intermediates focused on Anti-Psychotic therapeutic areas which require the intervention of specialists and super-specialists. In terms of sales, our pharmaceutical intermediates used in the Anti-Psychotic therapeutic areas are responsible for 29%, 21%, and 25% of our total revenue from operations for the FY20, FY21 and FY 22. We supply our products to more than one hundred and thirteen (113) customers directly and indirectly through our network of distributors in the overseas markets which exports its products to more than seventeen (17) countries. Further, our top five (5) customers constitute approximately 61.44% of our total revenue from operations for FY2.

Our manufacturing operations are spread across two units while both are located at Ankleshwar, Gujarat spread over a consolidated land area of 36,335 sq. mtrs. Previously , an expansion was made with commissioning of new manufacturing block and upon the completion of the said project in April 2018, the installed capacity of our production facility increased to 800 MT. Also, a GMP compliant block construction is ongoing which shall open the doors to more advance intermediates in our portfolio. Our manufacturing unit is equipped with start of machinery and equipment including Glass-line & Stainless-Steel Reactors, High-tower long fraction distillation, Short-path distillation, high pressure autoclave reactors and Cryo-reactor System. We are also very well equipped with an in-house Effluent Treatment Plant (ETP) including: (i) a three-effect, forced circulation type Multiple Effect Evaporator (“MEE”); (ii) an Agitated Thin film Dryer (ATFD); (iii) a RO plant with a pre-treatment section; and (iv) Aeration tanks with bio-technology to treat highly polluted water. This helps to expand our product portfolio with minimum restriction to those technologies where effluent is un-avoidable.

The industry we operate in, requires us to continually involve in R&D activities to create a differentiating factor and gain sustainability against our competitors. We believe that our R&D will continue to lead to new, innovative processes that can increase the efficiencies and sustainability of production including developing new products, developing safe manufacturing processes for plant-scale production and not limited to continuously improving the existing process to shift more towards green chemistry while minimizing the effluent created and developing eco-friendly process with lowest possible consumption of electricity and water. as well as address opportunities that we have identified in the global market for our businesses.

In terms of our R&D spent, we have incurred ₹21.65 Lakhs and ₹197.97 Lakhs towards our R&D activities during the FY21 and FY22. Our R&D laboratory is located at our manufacturing Unit-1 in Ankleshwar, Gujarat and is very well supported by our Analytical Development Laboratory (“ADL”) to speed up the developmental activities and developing the method of analysis for finished products, impurities, key starting materials (KSMs). ADL gives an advantage and helps the R&D to modify the process such that the finished product is ready to serve the market demands all over the world while offering them the products cater to their exact required specifications. Also, our R&D facility has been approved and certified by the Department of Scientific and Industrial Research, Ministry of Science and Technology of India (“DSIR”) which a achievement and a feather in a cap for our company.

## **Our Strengths**

### ***1. Positioning in Pharmaceuticals Product segment***

We are a strategic manufacturer of pharmaceutical intermediates for the generic APIs and NCE in select high-growth therapeutic areas such as anti-psycotic, anti-cancer, anti-depression and anti-coagulant. We are strategically positioned to capitalize on the market opportunities as a result of our core chemical expertise which includes Chlorination at top but not limited to Grignard Reaction, Pressure-Reduction, Freidel Reaction and Carbon-Carbon Coupling and many more. Our Company has strong market research-based model wherein we focus on development of advanced

pharmaceutical intermediates either for molecules which are under clinical trials; or for molecules which have been launched and approved by the respective Country-FDA' such as EU-FDA, Korean-FDA and US-FDA. Our thorough market research ensures our preparedness to supply our products to the generic market and generic developers on right-time with right-quality. Our Marketing teams continuously monitor the new drug approvals from the different country-FDA and identify the pharmaceutical intermediates to be developed by us. Thereafter, our Company promotes and markets such intermediates to the API manufacturers commencing development of these APIs for the generic market at the time of expiry of patent rights.

## **2. *Positioning in Fine-Chemicals & Specialty-Chemical product segment***

We are preferred partner for Contract Research & Manufacturing Services (CRAMS) by many fine-chemical companies based in EU and USA and many existing buyers for their new drug development initiatives. We believe that our process chemistry skills and cost advantage due to technical competency have led to new synthetic routes and variants and has given us a strong position in the development and manufacturing of advance pharmaceutical intermediates. We are strategically positioned to capitalize on the market opportunities as a result of our core chemical expertise which includes Chlorination at top but not limited to Grignard Reaction, Pressure-Reduction, Friedel Reaction and Carbon-Carbon Coupling and many more

In order to meet the growing demand for our products, we have recently undertaken an expansion of our manufacturing facilities, thereby increasing our production facility from the existing to 800 MT and increasing the aggregate reactor volume of our facilities to 201KL. Our manufacturing facilities are capable of bulk commercial production of advanced pharmaceutical intermediates for the specialty chemicals as well as fine chemicals enabling us to position ourselves as suppliers of choice for the leading domestic and global chemical companies seeking to leverage from our technical expertise and cost-effective manufacturing capacities.

## **3. *R&D Capabilities and Process & Chemistry Skills***

We are focused on undertaking dedicated R&D in our existing product lines and in areas where we believe there is significant growth potential. Our systematic approach to selection of pharma molecules and specialty chemicals, which involves evaluation of technical as well as commercial feasibility data. The new opportunities and customer's requirement for Contract Research & Manufacturing Services (CRAMS) by Domestic, EU and USA based existing and new potential buyers for their new product development initiatives has led us to development and manufacturing leading to portfolio of seventy-four (74) products. As a result of our R&D capabilities we were able to develop new, innovative processes that can increase the efficiencies and sustainability of new products, developing safe manufacturing processes for plant-scale production. With a view to further strengthen our R&D capabilities, we continuously recruit and appoint scientists of varied experience and expertise at our R&D laboratory. With our "research-first" approach and our strategic investments in R&D has been critical to our success and a differentiating factor in becoming one of the key suppliers of specialty and fine chemicals in both domestic and global markets.

We have a state of art pilot plant with reactor ranging from 20 Litre scale to 200 Litre scale and with niche operating temperature range available from -45 deg celsius all the way upto +300 deg Celsius. We also have pilot autoclave reactors which are capable of handling 100 bar pressure. Our state of art pilot also acts as a plant to cater low volume and high value products while allowing us to perfectly study the process, metallurgy suitability and utility efficiency for the respective process.

## **4. *Sustained financial performance***

In the last three Fiscal Years, we have experienced sustained growth in financial indicators including our revenue, CAGR and PAT, as well as a consistent improvement in our balance sheet position in the last five Fiscals, wherein we have seen an increase in our net worth. We believe that we have been able to achieve this position as an effect of capital efficient business model and cost optimization of our sourcing and manufacturing processes.

We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. Our strong balance sheet and positive operating cash flows coupled with low levels of debt enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations. Our financial strength provides us a valuable competitive advantage over our competitors with access to financing, which are factors critical to our business.

The table below sets forth some of the financial indicators for Financial year ended March 31, 2022, March 31, 2021 and March 31, 2020:

(in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2020	March 31, 2021	March 31, 2022
Total Revenue	6260.35	5117.66	7,485.61
EBITDA	1512.53	1,574.26	2,148.84
EBITDA Margin	24.16%	30.76%	28.71%
Profit after tax (PAT)	962.45	975.42	1339.86
PAT Margin (%)	16.47%	19.87%	18.80%
ROCE (%)	30.25%	25.82%	29.29%
ROE (%)	25.35%	21.18%	24.02%
Debt / Equity Ratio (times)	0.23	0.21	0.25

For further details on a comparative analysis of our financial position and revenue from operations, see the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 143 of this Letter of Offer.

#### 5. *Long-standing Relationships with Domestic and Multi-National Pharmaceutical Companies*

We have maintained long-standing relationships with domestic and multi-national pharmaceutical companies. Our top five customers have been with us for nearly half a decade and these customers, in aggregate, contributed to approximately 61.44% of our total revenue from operations in the FY22 and our cumulative revenue from such customers has grown year over year. Further, we believe that our position as a preferred supplier of advance pharmaceutical intermediates for the generic APIs and NCE to major participants in the API markets insulates us from the wins and losses of our customers and significantly hedges us against revenue volatility. Our products are supplied to the US and European markets, where we believe our product quality, vendor compliant manufacturing and customer relationships have helped us to strengthen our competitive position. Further, changing a pharmaceutical intermediate supplier is a time-consuming and complex process involving multiple applications before the relevant FDA authorities globally, which ensures a stable positioning of our Company in the advanced intermediary’s market.

#### 6. *Extensive geographical reach*

In last five years we have averaged to supply our products to more than sixteen (17) countries. We have long-standing relationships with numerous domestic, global pharmaceutical and specialty chemical companies for manufacturing and sale of pharmaceutical intermediates for the generic APIs, fine-chemicals and specialty chemicals. We supply our products to more than one hundred and twenty (113) customers worldwide directly or indirectly through our network of distributors in the overseas markets. This diversification ensures that, our revenues are independent on any particular domestic or foreign pharmaceutical or specialty chemical company. We have leveraged our network built over last decade across geographies to monetize every opportunity that we can convert through our existing product offerings thus creating value for the Company and its stakeholders. We also believe that our ability to explore new chemical reaction technologies and a hunger to diversify into new markets, with limited exposure to the risk of dependence on any specific market has become a key strength for sustainability in our business operations.

#### 7. *Strong Sales and Marketing capabilities*

We leverage every opportunity we can through our strong sales, marketing and distribution capabilities. Our marketing team utilizes a variety of sales and marketing platforms and programs to promote our products, including promotional materials, key trade exhibitions such as CPHI for Pharma sector and CHEM-EXPO or other relevant exhibition for Fine-Chemicals & Specialty Chemicals. We also entertain the paper marketing through industry publications, advertising and other media publications. We strongly believe in a market research-based model wherein in a pharma sector we focus on development of advanced pharmaceutical intermediates either for molecules which are under clinical trials; or for molecules which have been launched and approved by the foreign countries FDA's. On the specialty chemical sector, we tend to leverage every opportunity to work with our existing or the potential customer using our core chemical competencies to commercialize the project and serve them with the best cost and well-timed delivery services with best quality available among the market.

As a result of the continuous marketing efforts and advertisements, our Company receives new product requirements from multiple Pharma or Specialty Chemicals innovators which shall help our Company to maintain its reliability and prove its readiness for servicing future product requirements.

#### **8. *Experienced and Dedicated Management Team***

We are led by qualified and experienced Board of Directors and key managerial personnel, who we believe have extensive knowledge and understanding of the global generic pharmaceutical business environment and have the expertise and vision to organically scale up our business. We believe that the knowledge and experience of our senior and middle-level management team members in the pharmaceutical business provides us with a significant competitive advantage as we seek to grow our business. Our core managerial team has an average pharmaceutical industry experience of approximately thirty-two (32) years and almost all of them have been associated with our Company since our formative years. For further details of our key managerial personnel, see "*Our Management*" on page 82 of this LOF.

### **OUR BUSINESS STRATEGY**

#### **1. *Capitalization of opportunity using our core chemical expertise in the development of advance pharmaceutical intermediates for APIs, NCE, Specialty and Fine-chemicals Market.***

We are particularly focused on growing our presence in the manufacturing of a of advance pharmaceutical intermediates for APIs all while simultaneously exploring the opportunities in the Specialty and Fine-chemicals Market as well. We believe that there are significant growth opportunities in both the sectors and continually aim to utilize advanced technologies to bring in cost efficiency in existing products and processes and enhance our product portfolio through investments in R&D.

Regulation (EC) 1907/2006 of the European Parliament and of the Council of December 18, 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals ("**REACH**") prescribes a number of requirements applicable to the chemical industry. A mandatory requirement of registration under REACH to import the product in the said country under the European Union has been a comfort to companies like us whose substantial business is derived from EU countries. Our Company has secured REACH registration for its key products for the purposes of selling and marketing them in the European Union for having an added advantage of being a 'registered preferred supplier' to the customers in the said territory. Recently, a regulation was enacted to ban chemicals not registered under the REACH Regulations from being imported into the European Union which forces a measure that post 2018, no new entrants in the European Union market would be allowed to sale unless such entrant holds a valid registration under the REACH Regulations. We believe that this was a significant entry barrier that works in favour of the Company like us and position as with a major against the competitors in a critical European market. This allows the Company to cater to the regulated players with the benefit of its strong R&D capabilities for new product offerings. Besides this, our Company also has started to expand its presence in China by leveraging on the shutdown of various



chemical manufacturing facilities in China, due to internal legal restrictions imposed by the Chinese government on their respective manufacturers in relation to environmental pollution.

**2. *Investing in innovative technology for cost efficiency, safe and eco- friendly processes.***

Our Company strongly believes in conducting its business operations on a sustainable basis and in an environmentally responsible and operationally safe manner. An in-house effluent treatment plant has been set up by our Company which has given an added advantage to continue in its business operations, more particularly in light of the closure of several production units in China due to tougher regulations on the pollution causing industries. The said restrictions on the Chinese chemicals manufacturing sector, adversely impacted the chemical raw-material supply chain in both the sectors pharmaceutical as well as fine chemicals, thereby generating a major vacuum in supplies. This situation opened the doors for India Chemical Industries to cater this demand which consequently benefitted our Company to tap the potential market opportunities. Our Company consistently focus the attention on timely identification of such potential market opportunities.

As we operate in a fiercely competitive industry wherein chemical process technology and manufacturing technology plays a critical role we continuously invest to keep our technology, facilities and machinery updated with the latest available option and which adhered to the compliance standards. Further to this, we also intend to position ourselves as a leading market player in our products, both domestically and internationally by consistently adopting the latest technological changes and be responsive to the constant technological upgradations required to ensure cost efficiency and environmentally friendly processes in our business. We believe that making timely and cost-effective enhancements to the technological infrastructure shall ensure the safety of the process required and also deliver the quality and improvements required in order to meet evolving customer requirements.

The Company's total capital expenditure (i) for upgrading its manufacturing facilities was ₹2727.77 Lakhs for the FY22 compared to ₹611.51 Lakhs for the FY21; (ii) towards research and development was ₹197.97 Lakhs for the FY22 compared to ₹21.65 Lakhs for the FY21.

**3. *Increase our existing installed capacity***

We are proposing to set up a new manufacturing facility in Dahej, which shall expand our existing installed capacities.. We have already procured a land in Dahej for the proposed expansion. This shall help us to cater to expand our customer base and increase our revenue from operations. We believe with our knowledge and experience in our industry segment, we are well poised to leverage this industry offers. We shall continue to strive to offer qualitative and diverse products to meet evolving preferences of customers.

**4. *Focus on New Product Development and R&D***

We constantly seek to introduce new product verticals in pharmaceutical and fine-chemical sector by constantly enhancing our research and development capabilities to distinguish ourselves from our competitors and intend to become a research based international pharmaceutical and fine chemicals company who provides innovative solutions to its customers. With our company motto to follow the "research brings excellence" approach we plan to further expand our R&D and P&D capabilities and are intending to make subsequent capital expenditure in development of a pilot plant and research and development facility in the vicinity of our manufacturing facility. For details see "*Objects of the Issue – Details of the Objects*" on page 46 of this Letter of Offer.

Our Company has, in the last decade made significant investments to develop cost effective processes for manufacturing its products and planning to fill the patent applications in relation to the same and has developed significant expertise in chemistry and series of molecules giving our Company advantage against its competitors. Further, our Company also has a strong presence in Chloroalkyl amines salts and heterogenous nitrogen compounds such as Piperazine, Piperidine, Pyrrolidines etc. in addition to being one of top players in production of pharmaceutical intermediates of Anti-psychotic API's such as Amitriptyline, Nortriptyline, Citalopram, Haloperidol, Raloxifene Amiodarone etc.

## Our Products:

S. No.	API (Mother Brand)	Brief Description
1.	Amitriptyline	Amitriptyline, sold under the brand name Elavil among others, is a tricyclic antidepressant primarily used to treat major depressive disorder and a variety of pain syndromes from neuropathic pain to fibromyalgia to migraine and tension headaches. <sup>[1]</sup>
2.	Nortriptyline	Nortriptyline, sold under the brand name Pamelor, among others, is a medication used to treat depression, neuropathic pain, attention deficit hyperactivity disorder (ADHD), smoking cessation and anxiety. As with many antidepressants, its use for young people with depression and other psychiatric disorders may be limited due to increased suicidality in the 18-24 population initiating treatment. <sup>[2]</sup>
3.	Citalopram	Citalopram, sold under the brand name Celexa among others, is an antidepressant of the selective serotonin reuptake inhibitor (SSRI) class. It is used to treat major depressive disorder, obsessive compulsive disorder, panic disorder, and social phobia. The antidepressant effects may take one to four weeks to occur. It is taken by mouth. <sup>[3]</sup>
4.	Haloperidol	Haloperidol, sold under the brand name Haldol among others, is a typical antipsychotic medication. Haloperidol is used in the treatment of schizophrenia, tics in Tourette syndrome, mania in bipolar disorder, delirium, agitation, acute psychosis, and hallucinations in alcohol withdrawal. It may be used by mouth or injection into a muscle or a vein. Haloperidol typically works within 30 to 60 minutes. <sup>[4]</sup>
5.	Raloxifene	Raloxifene Hydrochloride is a medication used to prevent and treat osteoporosis in postmenopausal women and those on glucocorticoids. For osteoporosis it is less preferred than bisphosphonates. It is also used to reduce the risk of breast cancer in those at high risk. It is taken by mouth. <sup>[5]</sup>
6.	Amiodarone	Amiodarone is an antiarrhythmic medication used to treat and prevent a number of types of cardiac dysrhythmias. This includes ventricular tachycardia (VT), ventricular fibrillation (VF), and wide complex tachycardia, as well as atrial fibrillation and paroxysmal supraventricular tachycardia. Evidence in cardiac arrest, however, is poor. It can be given by mouth, intravenously, or intraosseously. When used by mouth, it can take a few weeks for effects to begin. <sup>[6]</sup>
7.	Flavoxate	Flavoxate is an anticholinergic with antimuscarinic effects. Its muscle relaxant properties may be due to a direct action on the smooth muscle rather than by antagonizing muscarinic receptors. <sup>[7]</sup>

[1] *Amitriptyline Tablets BP 50mg – Summary of Product Characteristics (SPC)*". *electronic Medicines Compendium*. Actavis UK Ltd. 24 March 2013. From: [https://en.wikipedia.org/wiki/Amitriptyline#cite\\_note-EMC-10](https://en.wikipedia.org/wiki/Amitriptyline#cite_note-EMC-10)

[2] *"Nortriptyline Hydrochloride Monograph for Professionals"*. *Drugs.com*. American Society of Health-System Pharmacists. From: [https://en.wikipedia.org/wiki/Nortriptyline#cite\\_note-AHFS2019-4](https://en.wikipedia.org/wiki/Nortriptyline#cite_note-AHFS2019-4)

[3] *"Citalopram Hydrobromide Monograph for Professionals"*. *Drugs.com*. AHFS. From: [https://en.wikipedia.org/wiki/Citalopram#cite\\_note-AHFS2018-5](https://en.wikipedia.org/wiki/Citalopram#cite_note-AHFS2018-5)

[4] *"Haloperidol"*. *The American Society of Health-System Pharmacists*. Archived from the original on 2 January 2015. From: [https://en.wikipedia.org/wiki/Haloperidol#cite\\_note-AHFS2015-4](https://en.wikipedia.org/wiki/Haloperidol#cite_note-AHFS2015-4)

[5] "Raloxifene Hydrochloride Monograph for Professionals". Drugs.com. American Society of Health-System Pharmacists. From: [https://en.wikipedia.org/wiki/Raloxifene#cite\\_note-AHFS2019-4](https://en.wikipedia.org/wiki/Raloxifene#cite_note-AHFS2019-4)

[6] "Amiodarone Hydrochloride". The American Society of Health-System Pharmacists. Archived from the original on 19 September 2016. From: [https://en.wikipedia.org/wiki/Amiodarone#cite\\_note-AHFS2016-4](https://en.wikipedia.org/wiki/Amiodarone#cite_note-AHFS2016-4)

<https://en.wikipedia.org/wiki/Flavoxate>

**Ordinarily, in relation to our business, we enter the following type of contracts:**

- (i) **Supply Contract with the local Distributor:** Our Company enters into agreements with reputed distributor situated in the respective country for the purposes of marketing and distribution of our products in a specified territory, both on an exclusive and non-exclusive basis.
- (ii) **Agreement to Supply Products to End-User/Final Customers:** Our Company enters into supply contracts on an exclusive and non-exclusive basis to supply the products to the End-User or final customers directly.
- (iii) **Contract Manufacturing Services:** Our Company enters into contract manufacturing arrangements and confidentiality agreements with customer on an exclusive/ non-exclusive basis to take on a project of which process development if required and scale-up is done at company. This type of service majorly caters to specialty chemical sector as compared to pharmaceutical sector

## Infrastructure

**Our manufacturing unit is equipped with the following key machinery and equipment:**

Sr. No.	Name of the Equipment	Quantity	Capacity Description/Other Parameters
1.	Glass Line Reactors	23	201 KL total Capacity/ 1 KL to 6 KL reactor volume
2.	SS 316 Reactors	25	
3.	Dryer	9	RCVD, RVD, Tray Dryer, ANFD, FBD
4.	Centrifuge	5	S.S.Centrifuge
5.	Chilling Plant	4	40 TR to 100 TR
6.	Cooling Tower	6	60 TR to 600 TR
7.	Boiler	4	3 Ton, 1 Ton,
8.	High- Therrm Boiler	2	1 Lac Kcal
9.	Ware House Capacity	2	400 MT
10.	DG Set	2	400 KVA, 62 KVA
11.	ETP Plant	1	220 KLM
12.	MEE Plant	1	35 KLD

Further, to the continuous expansion, our manufacturing unit is very well equipped with an in-house Effluent Treatment Plant (ETP) including: (i) a three-effect, forced circulation type Multiple Effect Evaporator ("MEE"); (ii) a Agitated Thin film Dryer (ATFD); (iii) a RO plant with a pre-treatment section; and (iv) Aeration tanks with bio-technology to treat highly polluted water. This helps to expand our product portfolio with minimum restriction to those technologies where effluent is un-avoidable.

In addition to the above, we have a state of art pilot plant with reactor ranging from 20 Litre scale to 200 Litre scale and with niche operating temperature range available from -45 deg celsius all the way upto +300 deg Celsius. We also have pilot autoclave reactors which are capable of handling 100 bar pressure. Our state of art pilot also acts as a plant to cater low volume and high value products while allowing us to perfectly study the process, metallurgy suitability and utility efficiency for the respective process.

## Raw Materials

Raw materials are essential to our business are procured in the ordinary course of business from various

suppliers. We purchase raw materials from the sources we maintain which is approved and audited by our internal quality control department. We check carefully the reliability of all the materials purchased to ensure that they comply with the desired quality and safety standards required by our products. We obtain our raw materials from domestic sources as well as import. Our raw material sourcing is not dependent on a single source of supply and we do have access to alternate sources for our procurement of raw material from other suppliers.

### **Water and Electricity**

Our company meets its power requirements for our manufacturing process from Dakshin Gujarat Vij Company Limited and we have our installed DG set of 575 KVA for providing standby power backup and local area authority provides potable water for operating our manufacturing facility. We also have an in-house captive power backup generator to ensure 100% power back-up for our manufacturing facility and R&D and admin center at Ankleshwar Unit-1 and Unit-2 respectively.

### **Human Resource**

Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled / semi-skilled / unskilled resources together with our efficient management team have enabled us to successfully implement our growth plans.

As on November 30, 2022 our total manpower strength is 165 personnel including 113 Permanent employees and 52 Contract workers at our registered office and manufacturing facility.

<b>Sr.No</b>	<b>Department</b>	<b>No of employee</b>
1.	Management & Administration	3
2.	Human Resource (HR) & Admin	7
3.	Research and Development (R&D)	11
4.	Quality Check / Analytical Lab	10
5.	Quality Assurance	3
6.	Commercial	3
7.	Finance & Accounts	6
8.	Environment Health & Safety (EHS)	1
9.	Store / Warehouse	7
10.	Liaising	1
11.	Maintenance	18
12.	Production	40
13.	Effluent Treatment Plant (ETP)	2
14.	IT	1
	<b>Total</b>	<b>113</b>

### **Marketing**

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company.

We believe our relationship with the clients is cordial and established as we receive repeat order flows. We intend to expand our existing customer base by reaching out to other geographical areas.

### **Competition**

The Industry which we cater to is highly competitive as we compete with organised and unorganised sector on the basis of availability of products, raw materials and other aspects. Also, we face competition from various domestic and international companies and entities. But we intend to continue competing with such entities to grow our business.

### **Manufacturing Process**

The raw materials are charged in a reaction vessel of suitable capacity and design based on the type of reaction. The reaction starts when all technical requirements such as temperature, pressure, cycle time, and reaction time slots are optimal. Technical parameters such as temperature, pressure and reaction time are maintained based on the type of reaction.

When the whole reaction is complete, the product is analyzed and subjected to further processing, which includes filtration specified distillation procedures, purification processes to get the required quality product. The product then undergoes drying, milling, shifting, and packing. The final product is ultimately tested to ensure it meets the applicable specifications before it is supplied to the customer. During this whole manufacturing process, various products, many by-products and recoveries are generated. Owing to the green chemistry vision towards our manufacturing practices, we re-use most of these by-products and recoveries as well as sell some of the recoveries and by-products to some of the industrial customers.

## CAPACITY UTILISATION

Our manufacturing facility has an annual installed capacity to manufacture 786.00 MT of our products. The capacity utilization of our products for the last three financial year is set out in the table below

Particulars	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Installed Capacity (in Metric Ton p.a)	786.00	786.00	786.00
Capacity Utilisation (in Metric Ton p.a)	591.12	609.16	678.151
Capacity Utilisation (%)	75.21%	77.50	86.28%



## INSURANCE

Our Company has insurance coverage which is reasonably sufficient to cover all normal risks associated with our operations and is in accordance with the industry standards.

We have taken insurance policies with insurance companies covering risks in relation to our business and our employees such as Employee group insurance policy and Standard Fire and Special Perils policy which also covers earthquake (fire and shock)

## INTELLECTUAL PROPERTY

Our Company has obtained following registered trademark as on the date of Letter of Offer :

Sr. No.	Authority Granting Approval	Application No.	Class	Description of the Logo / Label / Device (Applied for)
1	Trade Mark Registry	4006093	35	 SHREE GANESH REMEDIES LIMITED
2	Trade Mark Registry	4005810	1	 SHREE GANESH REMEDIES LIMITED

## Properties

Please find below the details of properties :

Sr No.	Details	Purpose	Leased / Owned
1	Plot No.6011 & 6012 , Opposite Deccan Fine Chemicals, G.I.D.C. Industrial Estate, Ankleshwar-393 002, Gujarat India.	Admin , Ware house& Manufacturing	Leased

Sr No.	Details	Purpose	Leased / Owned
2	Plot 6714-15 G.I.D.C Industrial Estate, Ankleshwar-393 002, Gujarat, India.	Manufacturing & Warehouse	Leased
3	Plot No.6002-6003 Near Shyam Chemicals G.I.D.C Industrial Estate, Ankleshwar-393 002, Gujarat, india	Manufacturing facility - in progress	Leased
4	Plot no.3194, HSG-4 Housing Plot G.I.D.C. Ankleshwar-393002, Gujarat India.	Staff Quarters	Leased
6	Dahej Plot No. D-2/17/16 Shree Ganesh Remedies Ltd Unit 5 Dahej-II, Industrial Area/Estare	Prospective Manufacturing facility	Leased

## OUR MANAGEMENT

### Our Board of Directors

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

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship	Other directorships in Companies
<p><b>CHANDULAL MANUBHAI KOTHIA</b>  <b>Designation:</b> Chairman and Managing Director  <b>DIN:</b> 00652806  <b>Date of Birth:</b> December 01, 1962  <b>Age:</b> 60 years  <b>Occupation:</b> Business  <b>Address:</b> 303/c/6, new colony, near marathi school, G.I.D.C., Ankleshwar, Ankleshwar, Bharuch, Gujarat – 393001.  <b>Nationality:</b> Indian  <b>Original Date of Appointment:</b> April 27, 1995  <b>Re-appointment:</b> July 29, 2022  <b>Period of Directorship:</b> For a term of five years commencing from July 29, 2022</p>	<ul style="list-style-type: none"> <li>• Ankleshwar Research and Analytical Infrastructure Limited</li> <li>• Kamalam Foundation</li> </ul>
<p><b>GUNJAN CHANDULAL KOTHIA</b>  <b>Designation:</b> Executive Director  <b>DIN:</b> 07408125  <b>Date of Birth:</b> March 31, 1992  <b>Age:</b> 30 Years  <b>Occupation:</b> Business  <b>Address:</b> Plot no.- 303/c/6, Tulsikunj society, near marathi school, G.I.D.C., Ankleshwar, Ankleshwar IE, Bharuch, Gujarat – 393002.  <b>Nationality:</b> Indian  <b>Original Date of Appointment:</b> April 15, 2020  <b>Period of Directorship:</b> For a term of five years commencing from April 15, 2020</p>	<ul style="list-style-type: none"> <li>• Kamalam Foundation</li> </ul>
<p><b>PARTH CHANDULAL KOTHIA</b>  <b>Designation:</b> Executive Director &amp; CFO  <b>DIN:</b> 08830608  <b>Date of Birth:</b> January 13, 1996  <b>Age:</b> 27 Years  <b>Occupation:</b> Business  <b>Address:</b> 303/c/6, near marathi school, new colony, G.I.D.C., Ankleshwar, Ankleshwar, Bharuch, Gujarat – 393001.  <b>Nationality:</b> Indian  <b>Original Date of Appointment:</b> January 18, 2021  <b>Period of Directorship:</b> For a term of five years commencing from January 18, 2021</p>	<ul style="list-style-type: none"> <li>• Kamalam Foundation</li> </ul>
<p><b>JAYESH KISHANLAL SAVJANI</b>  <b>Designation:</b> Independent Director  <b>DIN:</b> 07740486  <b>Date of Birth:</b> December 04, 1989  <b>Age:</b> 33 Years  <b>Occupation:</b> Professional  <b>Address:</b> V2 31 R K County, opp. Narmada college, Tavra road, opp. Narmada college, Jhadeshwar, Zadeshwar, Bharuch, Gujarat - 392011  <b>Nationality:</b> Indian  <b>Original Date of Appointment:</b> July 29, 2017</p>	<p>NIL</p>



Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship	Other directorships in Companies
<b>Re-appointment as an Independent Director:</b> July 29, 2022 <b>Period of Directorship:</b> For a term of five years commencing from July 29, 2022	
<b>PRIYAM SURENDRA SHAH</b> <b>Designation:</b> Independent Director <b>DIN:</b> 06858411 <b>Date of Birth:</b> July 27, 1990 <b>Age:</b> 31 Years <b>Occupation:</b> Professional <b>Address:</b> 23, Amramanjari Bunglows, Gala Gymkhana road, opp. Chittvan, Bopal, Daskroi, Ahmedabad, Gujarat - 380058 <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> October 11, 2017 <b>Re-appointment as an Independent Director:</b> October 11, 2022 <b>Period of Directorship:</b> For a term of five years commencing from October 11, 2022	NIL
<b>VAISHALIBEN KANJIBHAI VADODARIYA</b> <b>Designation:</b> Independent Director <b>DIN:</b> 08061214 <b>Date of Birth:</b> December 15, 1994 <b>Age:</b> 27 Years <b>Occupation:</b> Professional <b>Address:</b> A-85, Ayodhyapuram society, near green valley residency, Valak Patiya, Sarthana, Surat, Gujarat – 395006. <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> October 08, 2020 <b>Period of Directorship:</b> For a term of five years commencing from October 08, 2020	NIL

### Brief Biographies of our Directors

#### Chandulal Manubhai Kothia

Chandulal Manubhai Kothia aged 60 years, is a promoter Chairman and Managing Director of our Company. He holds a degree of Master of Science in physical chemistry from R.A.Science College Gujarat and possesses degree of diploma in pharmacy from L.M.College of Pharmacy, Gujarat. He has experience of more than two decades in the field of manufacturing of pharmaceutical intermediates bulk drugs, fine chemicals, pigments and plastics.

#### Gunjan Chandulal Kothia

Mr. Gunjan Chandulal Kothia aged 30 years is promoter and executive director of our Company. He is graduate in Chemical Engineering and also holds degree of Master in Science, Leeds University, United Kingdom. He has working experience of two years in Research & Development of Pharmaceutical Intermediates & three years in Business Development of Pharmaceutical Intermediates an Organic Pigments.

#### Parth Chandulal Kothia

Parth Chandulal Kothia, aged 27 years is an Executive Director and Chief Financial Officer of our Company. He is graduate in Chemical Engineering and holds masters of science degree in Global Finance from Fordham University, USA. He has experience of about 2 years in Business Development for pharmaceutical intermediates and speciality chemicals.

#### Jayesh Kishanlal Savjani



Jayesh Kishanlal Savjani aged 33 years is an Independent Director of our Company. He is graduate in Commerce and has more than 10 years of experience in the field of Project Financing, Accounting and Taxation.

### **Priyam Surendra Shah**

Priyam Surendra Shah aged 31 years is an Independent Director of our Company. He is a Chartered Accountant and has over 4 years of experience serving small and mid-sized clients in several sectors in areas of Accounting, Audit and Taxation.

### **Vaishaliben Kanjibhai Vadodariya**

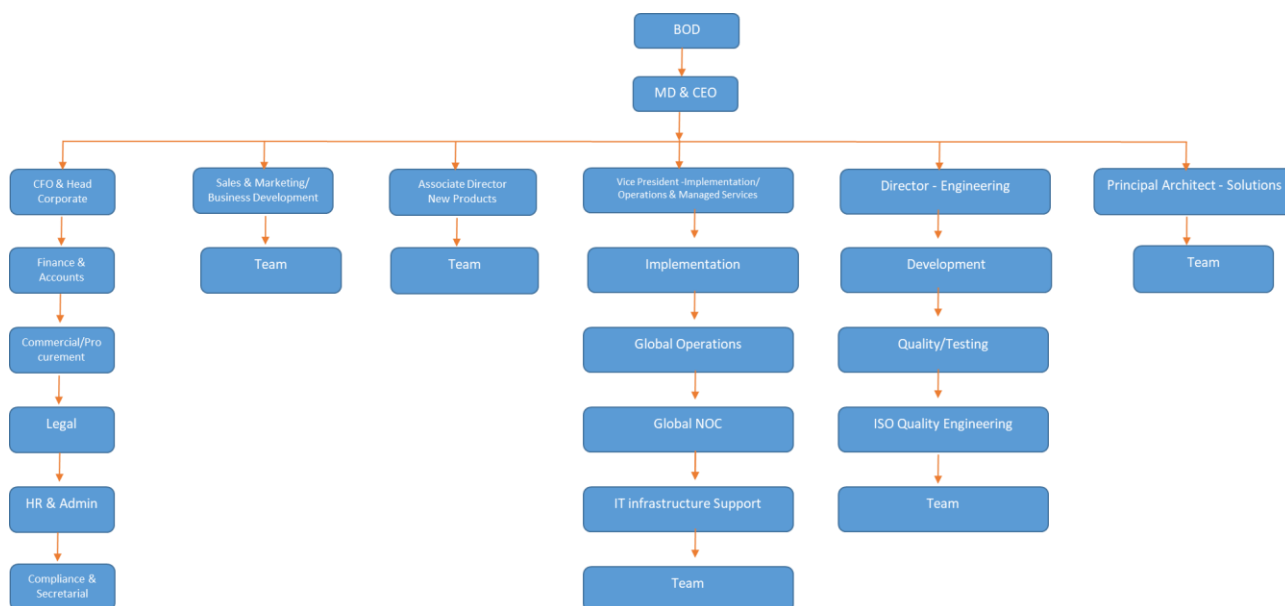
Vaishaliben Kanjibhai Vadodariya aged 27 year is an Independent Director of our Company. She is a commerce graduate and has over 6 years of experience in areas of Accounting, Audit and Taxation.

### **Confirmations**

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 Letter of Offer, 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 the five (5) years preceding from the date of this Letter of Offer, during their term of directorship in such company.

### **Management Organisation Structure**



### **Corporate Governance**

The provisions of the SEBI Listing Regulations, SEBI ICDR Regulations and the Companies Act with respect to corporate governance are not applicable to us as we are listed on SME Exchange.

### **Committees of our Board**

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

1. Audit Committee
2. Nomination Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility

Details of each of these committees are as follows:

### **Audit Committee**

Our Company has reconstituted an audit committee ("Audit Committee"), as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide resolution passed in the meeting of the Board of Directors held on July 29, 2017 and reconstituted as per the below member vide their resolution dated October 11, 2017 .

The terms of reference of Audit Committee complies with the requirements of Clause 52 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises following three (3) directors Jayesh Kishanlal Savjani is the Chairman of the Audit Committee.

The constitution of the Audit Committee is as follows:

Name	Designation	Chairman/Member
Chandulal Manubhai Kothia	Executive Director	Member
Jayesh Kishanlal Savjani	Non-Executive - Independent Director	Chairman
Priyam Surendra Shah	Non-Executive - Independent Director	Member

The terms of reference of the Audit Committee are given below:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Letter of Offer / Letter of Offer /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. 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.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. Management discussion and analysis of financial condition and results of operations;
22. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
23. Management letters / letters of internal control weaknesses issued by the statutory auditors;
24. Internal audit reports relating to internal control weaknesses;
25. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
26. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
27. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
28. To investigate any other matters referred to by the Board of Directors;
29. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

### **Nomination Remuneration Committee**

Our Company has constituted a nomination and remuneration committee ("Nomination and Remuneration Committee"). The Nomination and Remuneration Committee was constituted vide resolution passed at the meeting of the Board of Directors held on July 29, 2017 and reconstituted as per the below member vide their resolution dated October 02, 2020 .

The constitution of the Nomination and Remuneration Committee is as follows:

Name	Designation	Chairman/ Member
Jayesh Kishanlal Savjani	Non-Executive - Independent Director	Chairman
Priyam Surendra Shah	Non-Executive - Independent Director	Member
Vaishaliben Kanjibhai Vadodariya	Non-Executive - Independent Director	Member

The terms of reference of the remuneration committee are as follows:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;

- devising a policy on diversity of board of directors;
- 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.
- Recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management
- carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- perform such other functions as may be necessary or appropriate for the performance of its duties.

### **Stakeholders' Relationship Committee**

Our Company has reconstituted a Stakeholders relationship Committee / investors grievance committee ("Stakeholders relationship committee / Investors Grievance Committee") to redress the complaints of the shareholders. The Stakeholders relationship Committee /Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on July 29, 2017 and reconstituted as per the below member vide their resolution dated January 18, 2021.

The constitution of the Stakeholders Relationship Committee is as follows:

Name	Designation	Chairman/ Member
Chandulal Manubhai Kothia	Executive Director	Member
Priyam Surendra Shah	Non-Executive - Independent Director	Chairman
Gunjan Chandulal Kothia	Executive Director	Member

### **Role of shareholders/investors grievance committee**

- Efficient transfer of shares, including review of cases for refusal of transfer/ transmission of Shares and Debentures, demat/ remat of shares.
- Redressal of Shareholder and Investor complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends etc.;
- Issue of new / duplicate / split / consolidated Share Certificates;
- Allotment of Shares;
- 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's queries and grievances
- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

Other function roles duties powers etc. have been clearly defined in line with the Regulation 20 of the Listing Regulations and kept flexible for medication by the Board from time to time.

### **Corporate Social Responsibility**

Our Company has constituted the Corporate Social Responsibility Committee in terms of the provisions of Companies Act, 2013 vide it Circular by Resolution dated April 19, 2019 and reconstituted as per the below member vide their resolution dated January 18, 2021.

The constitution of Corporate Social Responsibility Committee is as follows:

Name	Designation	Chairman/ Member
Chandulal Manubhai Kothia	Executive Director	Chairman
Jayesh Kishanlal savjani	Non-Executive - Independent Director	Member
Gunjan Chandulal Kothia	Executive Director	Member

#### Terms of reference

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013 and rules made thereunder and review thereof.
2. To formulate and recommend to the Board, an annual action plan in pursuance to CSR Policy.
3. To recommend the amount of expenditure to be incurred on CSR activities.
4. To monitor the implementation of framework of CSR Policy.
5. To review the performance of the Company in the areas of CSR.
6. To institute a transparent monitoring mechanism for implementation of CSR projects/activities undertaken by the Company.
7. To recommend extension of duration of existing project and classify it as on-going project or other than on-going project.
8. To submit annual report of CSR activities to the Board.
9. To consider and recommend appointment of agency / consultant for carrying out impact assessment for CSR projects, as applicable, to the Board.
10. To review and monitor all CSR projects and impact assessment report.
11. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

## KEY MANAGERIAL PERSONNEL

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

### Details of Key Managerial Personnel and Senior management Personnel

In addition to our Executive Directors, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', given below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer:

Sunnykumar Jitendrabhai Narwani aged 29 is a Company Secretary and Compliance Officer of our Company. He is a Associate Member of the Institute of Company Secretaries of India and has completed his LLB from Gujarat University, He has an overall experience of around 7 years in the field of Legal & Secretarial Compliances.

None of our Key Managerial Personnel are entitled to receive any termination or retirement benefits.

### NATURE OF ANY FAMILY RELATIONSHIP BETWEEN ANY OF THE KEY MANAGERIAL PERSONNEL

None of the Key Managerial Personnel are related to each other except as stated below:

Name of Key Managerial Personnel	Name of other Key Managerial Personnel	Relationship
Chandulal Manubhai Kothia	Parth Chandulal Kothia Gunjan Chandulal Kothia	Son Son
Parth Chandulal Kothia	Chandulal Manubhai Kothia Gunjan Chandulal Kothia	Father Brother
Gunjan Chandulal Kothia	Chandulal Manubhai Kothia Parth Chandulal Kothia	Father Brother

### STATUS OF EACH KEY MANAGERIAL PERSONNEL, AS A PERMANENT EMPLOYEE OR OTHERWISE

All our Key Managerial Personnel are permanent employees of our Company.

## OUR PROMOTERS

Chandulal Kothia, Ashokkumar Kothia, Manubhai Kothiya, Gunjanbhai Kothia & Hanshaben Kothia are the promoters of our Company.

As on date of this Letter of Offer, our Promoter holds 70,02,492 Equity Shares, representing 58.32 % of the Issue subscribed and paid-up Equity Share capital of our Company.

### Brief Description of Promoters

**Chandulal Kothia** is a promoter, Chairman and Managing Director of our Company. For further details, please see section titled “*Our Management*” on page 82 of the Letter of Offer.

**Ashokkumar Kothia** is a promoter of our Company. He has experience of more than 2 decades in the field of manufacturing and production of pharmaceuticals intermediates.

The details of other directorship as follows:

1. Shree Ganesh FIBC Private Limited.

**Manubhai Kothiya** is a promoter of our Company. He has over 20 years of experience in the business of the chemical industry. He was a partner in Shree Ganesh Chemicals for over 20 years. He does not possess formal education.

**Hanshaben Kothia** is a promoter of our Company. She does not possess formal education.

**Gunjan Kothia** is an Executive Director of our Company. For further details, please see section titled “*Our Management*” on page 82 of the Letter of Offer.

### **Confirmations**

1. Our Promoter has not been declared as a Wilful Defaulter or a Fraudulent Borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by it in the past or is currently pending against it.
2. Our Promoter has not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
3. Our Promoter has not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter is not and has never been a promoter, director, or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
4. Save and except as disclosed in “*Outstanding Litigations and Defaults – Litigation involving our Promoter*” on page 153, there are no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 years preceding the date of the Issue against our Promoter.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to working capital requirements, profit earned during the Fiscal, capital expenditure requirements, cash flow to meet contingencies, liquidity, and applicable taxes payable by our Company. 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 may enter into to finance our fund requirements for our business activities.

Our Company has, by way of a resolution of the Board of Directors dated May 03, 2018 adopted a formal dividend distribution policy.

The amounts declared as dividends in the past are not necessarily indicative of our dividend amounts, if any, in the future. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividends from time to time.

### Dividends paid on Equity Shares:

Except as mentioned below Our Company has not declared any dividends for the last 3 Fiscal years and from April 1, 2022 till the date of this Letter of Offer.

Particulars	April 1, 2022 till date of this Letter of Offer	Fiscal		
		Fiscal 2022	Fiscal 2021	Fiscal 2020
Number of Equity Shares	1,20,06,727	1,20,06,727	1,20,06,727	1,20,06,727
Face value of Equity Share (in ₹)	10	10	10	10
Final Dividend per Equity Share (in ₹)	Nil	0.50	1.75	-
Rate of dividend (%)	Nil	5.00%	17.50%	Nil

*As certified by Statutory Auditor, Rushik J Patel & Co., Chartered Accountants, pursuant to their certificate dated February 02, 2023.*

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid, or the amount thereof will not be decreased in the future. Please see '**Risk Factor - 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.**' on page 21 of this Letter of Offer.



**SECTION V – FINANCIAL INFORMATION**  
**FINANCIAL STATEMENTS**

<b>Particulars</b>	<b>Page No.</b>
Unaudited Financial Statements for the nine months period ended December 31, 2022	93 - 95
Restated Standalone Financial Statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020	96 - 142



# RUSHIK J PATEL & CO.

## CHARTERED ACCOUNTANT

Address: 2c to 2g, 2<sup>nd</sup> Floor, Resham Bhavan, Nr. Param Doctor House, Lal Darwaja, Surat  
Email: [mr.rushik@ymail.com](mailto:mr.rushik@ymail.com) Mo. No.8866288229

### Independent Auditors' Review Report

ALL AMOUNTS IN INDIAN RUPEES (₹), IN LACS EXCEPT SHARE DATA AND WHERE OTHERWISE STATED

To,  
The Board Of Directors,  
M/s Shree Ganesh Remedies Limited

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of M/s Shree Ganesh Remedies Limited ("the Company") for the period ended on 31st December 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended), including relevant circulars issued by the SEBI from time to time.

This Statement, which is the responsibility of the Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

Based on our review conducted and procedures performed as stated in above paragraph above, and based on the consideration of the interim financial results/information certified by the management, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contain any material misstatement

For Rushik J Patel & Co.  
Chartered Accountants

  
Rushik J Patel  
Proprietor  
Membership No.148969  
F.R.No.135751W  
Place: Surat  
Date: 16th January 2023  
UDIN 23148969BGSNMI4442



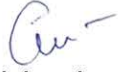


FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED ON 31ST DECEMBER 2022

ALL AMOUNTS IN LAKHS (₹), EXCEPT EPS

Particulars	Sr. No	Quarter Ended			For the Nine Months e		Year Ended
		31st Dec 2022	30th Sep 2022	31st Dec 2021	31st Dec 2022	31st Dec 2021	31st Mar 2022
			Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>INCOME</b>							
Revenue from operations	I	2,199.45	2,125.96	2,112.79	6,089.26	5,072.98	7,128.81
Other Income	II	139.92	72.69	87.90	277.96	242.71	356.81
<b>Total Income (I+II)</b>	<b>III</b>	<b>2,339.37</b>	<b>2,198.65</b>	<b>2,200.68</b>	<b>6,367.22</b>	<b>5,315.69</b>	<b>7,485.61</b>
<b>EXPENSES</b>							
Cost of Material Consumed	IV	963.60	1,176.83	906.01	3,324.90	2,550.90	3,742.37
Purchase of Stock in trade		Nil	Nil	Nil	Nil	Nil	Nil
Changes in inventories of finished goods/ WIP		237.14	(101.75)	175.90	(156.90)	32.37	(39.89)
Employee Benefit Expense		154.87	137.59	121.49	430.18	328.57	473.29
Finance Costs		2.86	(14.39)	3.33	7.59	13.06	14.58
Depreciation and Amortisations		97.46	90.23	98.79	269.65	275.72	333.74
Other Expenses		306.77	380.66	331.66	996.61	833.40	1,161.00
<b>Total Expenses</b>		<b>1,762.71</b>	<b>1,669.17</b>	<b>1,637.18</b>	<b>4,872.03</b>	<b>4,034.01</b>	<b>5,685.09</b>
Profit before exceptional, Extraordinary Item and tax (III - IV)	V	576.66	529.48	563.50	1,495.19	1,281.68	1,800.52
Exceptional Items	VI	Nil	Nil	Nil	Nil	Nil	Nil
Profit before Extraordinary Item and tax (V - VI)	VII	576.66	529.48	563.50	1,495.19	1,281.68	1,800.52
Extraordinary Items	VIII	Nil	Nil	Nil			Nil
Profit before tax (VII - VIII)	IX	576.66	529.48	563.50	1,495.19	1,281.68	1,800.52
<b>Tax Expenses</b>	<b>X</b>						
Current Tax		144.21	136.50	145.27	384.98	329.46	464.60
Adjustment of Tax Related to Earlier Periods		Nil	Nil	Nil	Nil	Nil	Nil
Deferred Tax		(2.51)	(0.67)	(2.02)	(5.10)	(3.70)	(3.94)
Profit/(loss) from continuing operations (IX - X)	XI	434.96	393.65	420.26	1,115.32	955.92	1,339.86
<b>DISCONTINUING OPERATIONS</b>							
Profit/(loss) from discontinuing operations before tax	XII	Nil	Nil	Nil	Nil	Nil	Nil
Tax expense of discontinuing operations	XIII	Nil	Nil	Nil	Nil	Nil	Nil
Profit/(loss) from discontinuing operations after tax (XII - XIII)	XIV	Nil	Nil	Nil	Nil	Nil	Nil
<b>TOTAL OPERATIONS</b>							
Profit (Loss) for the period (XI + XIV)	XV	434.96	393.65	420.26	1,115.32	955.92	1,339.86
<b>OTHER COMPREHENSIVE INCOME</b>							
Inocme relating to Item that will not be classified to profit and loss		Nil	Nil	Nil	Nil	Nil	Nil
Inocme relating to Item that will be classified to profit and loss		Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Comprehensive Income for the period</b>		<b>434.96</b>	<b>393.65</b>	<b>420.26</b>	<b>1,115.32</b>	<b>955.92</b>	<b>1,339.86</b>
Paid Up Equity Share Capital (Face Value Rs.10 each)		1,200.77	1,200.77	1,200.77	1,200.77	1,200.77	1,200.77
Other Equity Excluding Revaluation Reserves		Nil	Nil	Nil	Nil	Nil	4,956.72
<b>Earning Per Share for Continuing operation</b>							
Basic - Par Value Rs.10		3.62	3.28	3.50	9.29	7.96	11.16
Diluted - Par Value Rs.10		3.62	3.28	3.50	9.29	7.96	11.16

For, Shree Ganesh Remedies Limited

  
Chandulal Kothia  
Chairman and Managing Director  
DIN NO - 00652806  
Ankleshwar  
16th January 2023



**Head Office (Unit-1) :**  
Plot No. 6011-12, GIDC Estate,  
Ankleshwar - 393 002, Gujarat (INDIA)  
Ph.: +91 9614961469, 7574976076  
**CIN No. : L24230GJ1995PLC025661**  
**GSTIN : 24ABACS1471R1Z0 (Zero)**

**(Unit-2) :**  
Plot No. 6714/2,-6715 GIDC Estate,  
Ankleshwar - 393 002, Gujarat (INDIA)  
**(Formaly know as Ashok Pharma Chem)**



www.ganeshremedies.com  
WEBSITE

contact@ganeshremedies.com | EMAIL



## Notes to the Balance Sheet | Profit and loss account

ALL AMOUNTS IN LAKHS (₹), EXCEPT SHARE DATA AND WHERE OTHERWISE STATED

### NOTES

- 1 The above consolidated results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on January 16, 2023 and reviewed by the Statutory Auditors of the company.
- 2 The Company had adopted Indian Accounting Standards (IND AS) notified by Ministry of Corporate Affairs with Effect from 1st April 2017. Financial results for the quarter ended on 31st December 2022, 30th September 2022 have been prepared accordingly. Financial Results for the quarter and nine months ended on 31st December 2022 have also been prepared in accordance with IND AS. The IND AS compliant results for the quarter ended 31st December 2022 have not been audited by the statutory auditors and provided their limited review. However, the management has exercised necessary due diligence to ensure that the financial results provide true and fair view of the Company's affairs.
- 3 As required under Regulation 33 of SEBI (LODR) Regulations, 2015 the limited review by the statutory auditors have been completed for the quarter ended on 31st December 2022. The report does not have any impact on the above results and notes which needs explanation. The above results have been reviewed and recommended by the Audit Committee on 16th January 2023 and subsequently approved by the Board of Directors at its meeting held on 16th January 2023.
- 4 Borrowing Costs: The company had availed loan from M/s DBS Bank Ltd and Kotak Bank and had been utilized exclusively for purpose of acquisition of new premises adjacent to the existing production facility at Ankleshwar. Accordingly the interest paid on the said loans has been capitalized.
- 5 The Company had also accepted interest free unsecured loans from the directors. No interests or other borrowing costs have been debited to the profitability statement during the quarter.
- 6 Kamalam Foundation, a company incorporated under Section 8 of the Companies Act, 2013 and is prohibited to give any right over their profits to the members. In view of restrictions on Section 8 Companies, the parent Company's share in Kamalam Foundation has not been considered and hence the consolidated financial statement are not prepared.
- 7 Earning per shares: Earning per shares are has been calculated on the weighted average of the share capital outstanding during the year. Half year EPS is not annualised.
- 8 The Company elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) ordinance, 2019. Accordingly, the Company had recognized the provision for income tax for the quarter and Nine month ended on 31st December 2022 and 31st December 2021 and re-measured its deferred tax basis the rate prescribed in the said section.
- 9 The company is primarily engaged in the business of Bulk Drug Intermediates, which constitute a single reportable segment in accordance with Ind AS 108 - "Segment Reporting"
- 10 The figures for the previous periods have been regrouped / reclassified wherever necessary to confirm with the current period's classification

For, Shree Ganesh Remedies Limited

  
Chandulal Kothia  
Chairman and Managing Director  
DIN NO - 00652806  
Ankleshwar  
16th January 2023



**Auditors Report on the Restated Financial Statements in connection with the Right Issue of Shree Ganesh Remedies Limited for each of the years ended March 31, 2020, 2021, and 2022**

To,  
The Board of Directors  
Shree Ganesh Remedies Limited  
CIN: U24230GJ1995PLC025661  
Plot No.6011, GIDC Industrial Estate,  
Ankleshwar - 393002.

Dear Sirs,

1. We have examined the restated financial information expressed in Indian Rupees, comprising of the Restated Summary Statement of assets and liabilities as at March 31, 2022, 2021 and 2020, as set out in Annexure I, the Restated Summary Statement of Profits and Losses and also the Restated Summary Statement of Cash Flows for the financial years ended March 31, 2022, 2021 and 2020, as set out in Annexure II and III and other financial information (collectively the “Restated Summary Statements”) of Shree Ganesh Remedies Limited (“the Company”) annexed to this report and initialed by us for identification purposes, for the purposes of inclusion in the offer document. This financial information has been prepared by the management of the Company in connection with its proposed Right Issue of shares. Such Restated Financial information, which has been approved by the Board of Directors of the Company on 2<sup>nd</sup> February 2023 has been prepared in accordance with the requirements of:
  - a. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 (the Act) read with Rule

- 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules'), 2014 and
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992.
2. We have examined such restated financial information taking into consideration:
- a. The terms of reference received from the Company vide their letter dated 23<sup>rd</sup> January 2023 requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed Issue; and
  - b. Guidance Note (Revised) on Reports in Company Prospectuses issued by The Institute of Chartered Accountants of India.
3. The Restated Summary Statements of the Company has been compiled by the management from:
- a. The audited balance sheets of the Company as at March 31, 2022, March 31, 2021, and March 31, 2020 and the related audited statement of profit and loss and cash flow statements for the years ended on March 31, 2022, March 31, 2021, and March 31, 2020 prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on 06-05-2022, 03-05-2021, and 31-07-2020 respectively.
  - b. Other financial and other records of the Company, to the extent considered necessary, for the presentation of the restated financial information under the requirements of the Schedule III of

Companies Act, 2013 in relation to the years ended on March 31, 2022, 2021, and 2020.

4. In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and allotment of Securities) Rules, 2014 and the terms of our engagement agreed with you, we report that:
  - a. We have examined the restated summary statement of assets and liabilities of the Company as at, March 31, 2022, March 31, 2021, and March 31, 2020, as set out in Annexure I to Restated Summary Information. These are after making adjustments, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure V to XXXVI to the restated financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the financial statements of the Company for the relevant financial years.
  - b. We have examined the related restated summary statement of Assets and Liabilities, profits and losses, cash flows and Other Comprehensive Income of the Company for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 as set out in Annexure I, II, III and IV.

#### **Other Financial Information**

5. We have examined the other restated financial information of the Company listed below, for each of the financial years ended on March 31 2022, 2021, and 2020 which, as approved by the Board of Directors on 06-05-2022, 03-05-2021, and 31-07-2020 respectively and annexed to this report is proposed to be included in the offer document:

- i) Restated Statement of Significant Accounting Policies and Restated Statement of Notes on Financial Statements, enclosed as Annexure V;
- ii) Restated Statement of Property, Plant and Equipments, Intangible Assets and Capital Work in Progress Fixed Assets, enclosed as Annexure VI;
- iii) Restated Statement of Non Current Investments, enclosed as Annexure VII;
- iv) Restated Statement of Long Term Loans and Advances, enclosed as Annexure VIII;
- v) Restated Statement of Inventories, enclosed as Annexure IX;
- vi) Restated Statement of Short-Term Loans and Advances, enclosed as Annexure X;
- vii) Restated Statement of Trade Receivables, enclosed as Annexure XI;
- viii) Restated Statement of Cash and Bank Balances, enclosed as Annexure XII.
- ix) Restated Statement of Current Investment, enclosed as Annexure XIII;
- x) Restated Statement of Current Tax Assets (Net), enclosed as Annexure XVI;
- xi) Restated Statement of Share Capital, enclosed as Annexure XVII, XVII(a), XVII(b), XVII(c) and XVII (d):
- xii) Restated Statement of Other Equity enclosed as Annexure XVIII;
- xiii) Restated Statement of Non Current Borrowings, enclosed as Annexure XIX;
- xiv) Restated Statement of Long Term Provisions, enclosed as Annexure XX;



- xv) Restated Statement of Short Term Borrowings, enclosed as Annexure
- xvi) Restated Statement of Deferred Tax Liability (Net), enclosed as Annexure V(7);
- xvii) Restated Statement of Short Term Borrowing, enclosed as Annexure XXI
- xviii) Restated Statement of Trade Payables, enclosed as Annexure XXII;
- xix) Restated Statement of Short Term Provisions, enclosed as Annexure XXIII;
- xx) Restated Statement of Current Tax Liabilities (Net) enclosed as Annexure XXIV;
- xxi) Restated Statement of Operating Income, enclosed as Annexure XXV;
- xxii) Restated Statement of Other Income, enclosed as Annexure XXVI;
- xxiii) Restated Statement of Cost of Material Consumed, enclosed as Annexure XXVII;
- xxiv) Restated Statement of Changes in Inventory of Finished Goods, Work in Progress and Stock in Trade, enclosed as Annexure XXVIII:
- xxv) Restated Statement of Employee Benefit Expenses, enclosed as Annexure XXIX;
- xxvi) Restated Statement of Finance Costs, enclosed as Annexure XXX;
- xxvii) Restated Statement of Other Expenses, enclosed as Annexure XXXI;
- xxviii) Restated Statement of Accounting Ratios, enclosed as Annexure XXXII;
- xxix) Restated Statement of Accounting Ratios, enclosed as Annexure XXXIII;

- xxx) Restated Statement of Tax Shelter, enclosed as Annexure XXXVI;
- xxxi) Restated Statement of Capitalization Statement as Annexure XXXV;
- xxxii) Restated Statement of Related Parties, enclosed as Annexure XXXVI;
- xxxiii) Restated Statement of Other Income, enclosed as Annexure XXXVII.
- xxxiv) The company has declared a dividend of Rs.0.5 per share amounting Rs. 60,03,363.50 for FY 2021-22, Rs.1.75 per share amounting Rs. 1,75,11,281 for FY 2020-21 and Rs.1.5 per share amounting to Rs. 1,34,57,034 for FY 2019-20.
- xxxv) The company has declared bonus issue in the ratio of 5:1 during the FY 2021-22 and in the ratio of 26:3 during FY 2020-21 to the existing shareholders out of free reserves. The same has been suitably disclosed in Annexure V – Significant Accounting Policies.

6. Based on our examination, we further report that:

- a. The restated financial information have to be read in conjunction with the Restated Statement of Significant Accounting Policies and Restated Summary Statement of Notes on Financial Statements appearing in Annexure V to this report;
- b. There are no changes in accounting policies adopted by the Company during the years ended on March 31, 2022, 2021 and 2020 which would require adjustment in the Restated Summary Statements.
- c. There are no extraordinary items which need to be disclosed separately in the Restated Summary Statements;

7. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should it be construed as a new opinion on any of the financial statements referred to therein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed Rights Issue of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Rushik J Patel & Co.**

**Chartered Accountants**

**Firm's Registration Number: 135751W**

**CA Rushik J. Patel**

**Proprietor**

**Membership . No. 148969**

**Place of Signature: Surat**

**Date: 2<sup>nd</sup> February 2023**

**UDIN: 23148969BGSNMR9095**

**Shree Ganesh Remedies Limited**  
**Restated Summary Statement of Assets and Liabilities, as at 31st March 2022**

Particulars		Annexures	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
I.	<b>ASSETS</b>				
1	<b>Non-current assets</b>				
	(a) Property, Plant and Equipments	VI	16,22,02,917	18,24,63,914	26,72,48,795
	(b) Intangible Assets	VI	4,67,732	60,49,239	46,92,570
	(c) Intangible Assets under development	VI	-	-	-
	(d) Capital Work in Progress	VI	-	2,04,83,233	3,09,29,119
	(e) Financial Assets				
	(i) Investments	VII	5,00,000	7,00,000	8,00,000
	(ii) Loans	VIII	92,60,219	1,53,74,664	1,69,25,440
	(iii) Other Financial Assets		-	-	-
	(f) Deferred Tax Assets (Net)		-	-	-
	(d) Other Non Current Assets Issue Exps		20,02,579	10,01,719	5,00,860
2	<b>Current assets</b>				
	(a) Inventories	IX	5,50,41,663	12,71,34,639	13,64,12,748
	(b) Financial Assets				
	(i) Loans	X	86,50,039	2,34,74,472	5,06,96,515
	(ii) Trade receivables	XI	16,63,18,172	13,32,63,865	18,37,96,984
	(iii) Cash and Bank Balances	XII	1,75,39,417	3,46,63,111	3,88,32,138
	(iv) Bank Balances other than (iii) of above		-	-	-
	(v) Financial Assets				
	(vi) Investments	XIII	7,05,10,491	3,12,30,229	-
	(c) Current Tax Assets (Net)	XVI	3,01,05,543	3,01,41,382	3,93,23,702
	<b>TOTAL ASSETS</b>		<b>52,25,98,772</b>	<b>60,59,80,468</b>	<b>77,01,58,871</b>
II.	<b>EQUITY AND LIABILITIES</b>				
1	<b>Equity</b>				
	(a) Equity Share Capital	XVII	8,97,13,560	10,00,64,460	12,00,67,270
	(b) Other Equity	XVIII			
	(i) Equity Component of Compound Financial Instrument		-	-	-
	(ii) Other Comprehensive Income		15,70,296.80	15,70,296.80	15,70,296.80
	(iii) Reserve and Surplus		33,28,12,444.95	40,15,37,624.75	49,72,42,029.49
	(iv) Other Reserves		33,12,42,148	39,99,67,328	49,56,71,733
			<b>42,09,55,708</b>	<b>50,00,31,788</b>	<b>61,57,39,003</b>
2	<b>Liabilities</b>				
	<b>(A) Non Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	XIX	4,15,015	-	-
	(ia) Lease Liabilities		-	-	-
	(ii) Trade payable		-	-	-
	(b) Long-term provisions	XX	17,80,446	16,80,826	20,26,736
	(c) Deferred Tax Liability (Net)	V(7)	27,53,080	23,90,195	19,95,781
	<b>(B) Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	XXI	2,26,99,398	21,46,970	-
	(ia) Lease Liabilities		-	-	-
	(iii) Trade payables	XXII			

Particulars		Annexures	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
	Due to Micro, Small and Medium Enterprises		28,62,208	19,20,834	23,23,516
	Due to Others		3,57,24,645	6,01,56,090	9,24,11,620
(b)	Other current liabilities		-	-	-
(c)	Provisions	XXIII	36,50,956	53,38,154	92,01,740
(d)	Current Tax Liabilities (Net)	XXIV	3,17,57,317	3,23,15,611	4,64,60,475
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>52,25,98,772</b>	<b>60,59,80,468</b>	<b>77,01,58,871</b>

The above statement should be read with the Statement of Significant Accounting Policies and Notes to the Restated Financial Information appearing in Annexure V. As per our attached report of even date.

As per our attached restated report of even date.

**For Rushik J Patel & Co.**  
**Chartered Accountants**

**Chandulal Manubhai Kothia | DIN: 00652806**  
**Managing Director**

**CA Rushik J Patel**  
**Proprietor**  
**Membership No.148969**  
**F.R.No.135751W**  
**Place Surat**  
**Date 2nd February 2023**  
**UDIN: 23148969BGSNMR9095**

**Gunjanbhai C Kothia | DIN: 07408125**  
**Whole Time Director**

**Parth Chandulal Kothia | DIN: 08830608**  
**Chief Financial Officer**

**Sunnykumar J Narwani | PAN: AOKPN7565F**  
**Company Secretary**

**Shree Ganesh Remedies Limited**  
**Restated Summary Statement of Profits and Losses, for the period ended 31st March 2022**

Particulars		Anne xure	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
<b>I.</b>	<b>Revenue from operations</b>	XXV			
(a)	Sales of goods				
i)	Sale of manufactured goods (net of excise)		58,42,55,806	49,08,23,362	71,28,80,559
	Total Revenue from operations		58,42,55,806	49,08,23,362	71,28,80,559
<b>II.</b>	<b>Other Income</b>	XXVI	4,17,79,717	2,09,42,830	3,56,80,720
<b>III.</b>	<b>Total Revenue (I + II)</b>		62,60,35,523	51,17,66,192	74,85,61,279
<b>IV.</b>	<b>Expenses:</b>				
	Cost of materials consumed	XXVII	35,51,10,565	25,98,55,516	37,42,37,089
	Purchase of stock in trade		-	-	-
	Changes in inventories of finished goods, work-in-progress and stock in trade	XXVIII	8,47,211	(3,96,73,385)	(39,88,667)
	Employee benefits expense	XXIX	3,26,31,549	3,84,69,331	4,73,28,647
	Finance costs	XXX	14,07,735	6,77,376	14,58,469
	Depreciation and amortization expense	VI	2,24,06,195	2,72,54,021	3,33,73,504
	Other expenses	XXXI	8,61,92,937	9,56,88,631	11,61,00,119
	<b>Total Expenses</b>		49,85,96,192	38,22,71,490	56,85,09,161
<b>V.</b>	<b>Profit / (Loss) before tax (VII- VIII)</b>		12,74,39,332	12,94,94,701	18,00,52,118
VI	Exceptional Items (Sales Tax Paid Under Amnest Scheme)				
VII	Extraordinary Items				
VIII	Tax expense:				
	(1) Current tax	XXIV	3,17,57,317	3,23,15,611	4,64,60,475
	(2) Deferred tax	V(7)	(5,63,291)	(3,62,885)	(3,94,414)
	(3) MAT credit entitlement		-	-	-
IX	<b>Profit/ (Loss) for the period (XI + XIV)</b>		9,62,45,306	9,75,41,975	13,39,86,057
X	<b>Earnings per equity share:</b>				
	Basic and Diluted on the bsais of weighted Average No. of Eq. Shares Outstanding at the End of the year	v(6)	8.02	8.12	11.16
The above statement should be read with the Statement of Significant Accounting Policies and Notes to the Restated Financial Information appearing in Annexure V					

As per our attached restated report of even date.

**For Rushik J Patel & Co.**  
**Chartered Accountants**

**Chandulal Manubhai Kothia | DIN: 00652806**  
**Managing Director**

**CA Rushik J Patel**  
**Proprietor**  
**Membership No.148969**  
**F.R.No.135751W**  
**Place Surat**  
**Date 2nd February 2023**  
**UDIN: 23148969BGSNMR9095**

**Gunjanbhai C Kothia | DIN: 07408125**  
**Whole Time Director**

**Parth Chandulal Kothia | DIN: 08830608**  
**Chief Financial Officer**

**Sunnykumar J Narwani | PAN: AOKPN7565F**  
**Company Secretary**

**Shree Ganesh Remedies Limited**  
**Restated Summary Statement of Cash Flows, for the period ended 31st March 2022**

Sr. No.	Particulars	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
		Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)
	<b>Profit Before Tax</b>	12,74,39,331.55	12,94,94,701.25	18,00,52,118.04
<b>A.</b>	<b><u>Cash flow from Operating Activities</u></b>			
	<b>Non Cash Items</b>			
	Depreciation and Amortisations	2,24,06,195.04	2,72,54,021.14	3,33,73,504.13
	Amortization of Land	5,59,740.50	6,19,218.51	6,19,218.52
	Non Cash income or Exps	(7,85,17,250.05)	(10,62,45,906.37)	(5,62,17,318.72)
	Gain on Sale of Current Investments			(26,43,979.96)
	<b>Change in Working Capital</b>			
	Decrease /Increase in Provisions	19,21,047.00	15,87,578.11	1,83,54,360.24
	Decrease / Increase in Debit balance of duties	1,64,27,938.16	76,55,386.18	2,10,16,711.27
	Increase/ (Decrease) in Trade Payable	1,70,67,502.14	44,85,599.44	2,66,49,737.89
	Decrease / Increase in Inventories	1,00,64,817.37	(7,20,92,976.27)	(92,78,109.44)
	Increase / Decrease in Loan & Advances	(94,86,094.62)	73,02,580.58	(2,72,26,180.43)
	Increase / Decrease in Trade Receivable	(6,90,98,109.00)	3,30,54,306.74	(5,05,33,118.77)
	<b>Net Cash Flow from Operating Activities (A)</b>	<b>3,87,85,118</b>	<b>3,31,14,509</b>	<b>13,41,66,943</b>
<b>B.</b>	<b><u>Cash flow from investing Activities</u></b>			
	(Increase) / Decrease in Fixed Assets	(4,37,145)	(89,598)	(15,32,76,737)
	(Increase) / Decrease in Deposits	(12,23,754)	8,39,921	34,990
	Mutual Fund Sales / (Purchase)	1,00,00,000	(1,00,00,000)	3,16,41,230
	Gain on Sale of Current Investments	-	-	26,43,980
	(Increase)/ Decrease in Investment	(3,74,34,772)	(1,71,922)	1,74,000
	<b>Net Cash Flow from Investing Activities (B)</b>	<b>(2,90,95,671)</b>	<b>(94,21,599)</b>	<b>(11,91,30,537)</b>
<b>C.</b>	<b><u>Cash Flow From Financing Activities</u></b>			
	Issue of Share Capital			
	Increase / (Decrease) in Secured Loans	(20,90,640)	(20,89,816)	(4,21,721)
	Mis. Assets	-	5,00,000	-
	Increase / (Decrease) Unsecured Loans	-	(49,79,400)	(3,66,493)
	Payment of Dividend	-	-	(1,60,87,912)
	Other Equity	-	-	-
	<b>Net Cash Flow from Financing Activities (C)</b>	<b>(20,90,640)</b>	<b>(65,69,216)</b>	<b>(1,68,76,126)</b>
<b>D.</b>	<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>75,98,807</b>	<b>1,71,23,694</b>	<b>18,39,720</b>
<b>E.</b>	Opening Cash & Cash Equivalents	99,40,610	1,75,39,417	3,46,63,111
<b>F.</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>1,75,39,417</b>	<b>3,46,63,111</b>	<b>3,28,23,390</b>

**Restated - recocilation of cash & cash equivalent.**

Sr. No.	Particulars	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
		Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)
<b>G.</b>	<b>Cash And Cash Equivalents Comprises of :</b>			
	Cash	1,17,152	1,70,429	1,77,621
	<b>Bank Balance :</b>			
	Current Account	3,94,707	11,11,686	-
	Balance in Euro Account	-	-	-
	Axis Bank Ca A/C No. 917020070693932	2,34,483	94,881	36,446
	Axis Bank Dividend Ac 918020088968407	15,000	-	-
	Axis bank Dividend Ac 919020066256772	18,750	-	-
	Axis Bank Dividend AC 918020025692473	-	-	-
	UCO Bank -20790210003053	-	19,366	19,006
	Axis Bank Dividend A/C 921020038767724	-	-	4,277
	Axis Bank A/c 458010200005432 (APC)	-	7,00,081	1,94,955
	Axis Bank Euro A/c-910020014374137	-	59,82,863	1,69,69,005
	Axis Bk US\$ A/c-910020014318384	1,67,59,324	2,65,83,805	1,54,22,080
	<b>Cash and cash equivalents in the statement of cash flow</b>	<b>1,75,39,417</b>	<b>3,46,63,111</b>	<b>3,28,23,390</b>

Note: Above restated reconciliation of cash & cash equivalent does not include debit balance of Cash Credit of Rs.60,08,747/- which is included in Annexure XII (Restated Cash and Bank Balances)

As per our attached restated report of even date.

**For Rushik J Patel & Co.**  
**Chartered Accountants**

**Chandulal Manubhai Kothia | DIN: 00652806**  
**Managing Director**

**CA Rushik J Patel**  
**Proprietor**  
**Membership No.148969**  
**F.R.No.135751W**  
**Place Surat**  
**Date 2nd February 2023**  
**UDIN: 23148969BGSNMR9095**

**Gunjanbhai C Kothia | DIN: 07408125**  
**Whole Time Director**

**Parth Chandulal Kothia | DIN: 08830608**  
**Chief Financial Officer**

**Sunnykumar J Narwani | PAN: AOKPN7565F**  
**Company Secretary**



**Shree Ganesh Remedies Limited**  
**Restated Summary Statement of Other Comprehensive Income for the period ended 31st March 2022**

Particular		F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
		Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)
<b>A.</b>	<b>OTHER COMPREHENSIVE INCOME - ITEMS THAT WILL NOT BE CLASSIFIED TO PROFIT OR LOSS</b>			
	Change in Revaluation Surplus			
	Remeasurement of the defined benefit Plans			
	Equity instruments through Other Comprehensive	Nil	Nil	Nil
	Fair Value changes relating to own risk of financial liability designated at fair value through profit or loss	Nil	Nil	Nil
	Share of OCI in Associates and Joint Venture, to the extent not to be classified into profit or loss	Nil	Nil	Nil
	Remeasurement of Fair Value of Leasehold Land	Nil	Nil	Nil
	Other (specify nature)	Nil	Nil	Nil
	<b>Total OCI Before Tax</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Tax Effect</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total OCI from Item will Not be Classified into profit or loss</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>B.</b>	<b>OTHER COMPREHENSIVE INCOME - ITEMS THAT WILL BE CLASSIFIED TO PROFIT OR LOSS</b>			
	Exchange difference in translating the financial statement of a foreign operation	Nil	Nil	Nil
	Debt Instrument Through OCI	Nil	Nil	Nil
	The Effective Portion of gain and loss on hedging instruments in a Cash Flow hedge	Nil	Nil	Nil
	Share of OCI in Associates and Joint Venture, to the extent to be classified into profit or loss	Nil	Nil	Nil
	Others (specify Nature)	Nil	Nil	Nil
	<b>Total OCI Before Tax</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Tax Effect</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total OCI from Item will be Classified into profit or loss</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

As per our attached restated report of even date.

**For Rushik J Patel & Co.**  
**Chartered Accountants**

**Chandulal Manubhai Kothia | DIN: 00652806**  
**Managing Director**

**Gunjanbhai C Kothia | DIN: 07408125**  
**Whole Time Director**

**CA Rushik J Patel**  
**Proprietor**  
**Membership No.148969**  
**F.R.No.135751W**  
**Place Surat**  
**Date 2nd February 2023**  
**UDIN: 23148969BGSNMR9095**

**Parth Chandulal Kothia | DIN: 08830608**  
**Chief Financial Officer**

**Sunnykumar J Narwani | PAN: AOKPN7565F**  
**Company Secretary**

## Summary of Significant Accounting Policies

### **a. Basis of preparation of Restated Summary Statements and financial statements**

The restated summary statement of assets and liabilities of the Company as at March 31, 2022, 2021, and 2020 and the related restated summary Statement of profits and loss and Statement of Cash Flows for the financial years ended on March 31, 2022, 2021, and 2020 [herein collectively referred to as ‘restated summary statements’] have been extracted by the management from the audited financial statements of the Company for the financial years ended on March 31, 2022, 2021, and 2020.

The restated summary statements have been prepared to comply with the Provision specified under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act to the extent notified and applicable. The restated summary statements have been prepared on a going concern and accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

These restated summary statements have been prepared to comply with the requirements of section 26 of the Companies Act, 2013, read with Rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (‘the Regulations’).

The audited Financial Statements for year ended March 31, 2022, 2021 and 2020 have been prepared in accordance with revised

Schedule III of the Companies Act, 2013 For the purpose of inclusion in the offer document, audited financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of revised Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements.

The financial statements have been prepared to comply with the provision specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) rules, 2014 and other relevant provisions of the Act to the extent notified and applicable. The financial statements have been prepared on a going concern and accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years.

These Restated Summary Statements have been prepared after incorporating:

- i. Appropriate adjustments have been made in the Restated Summary Statements, wherever required, by regrouping of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with those as per the audited financials of the Company for the year ended March 31, 2022.

**b. Use of estimates:**

The preparation of financial statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

**c. Property, Plant and Equipment and Depreciation/Amortization:**

Property, Plant and Equipment are carried at the cost of acquisition or construction less accumulated depreciation. The cost of Property, Plant and Equipment includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets as per Para 11 of Ind AS - 16, (Property Plant and Equipment). Borrowing costs directly attribute.

Depreciation on fixed assets is provided using the written down value method at the rates specified in revised Schedule II to the Companies Act, 2013 or based on the useful life of the assets as estimated by management, whichever is higher. This policy has been continued during the current year. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Disclosure as per Para 75-76 of Ind AS-16 (Property, Plant and Equipment) relating to dismantling cost is unascertainable. The management is unable to estimate the dismantling cost of individual assets as the same is impracticable, due to the complexity and size of the company

**d. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**e. Inventories:**

Inventory is valued at cost (including cost for bringing the inventory to its current location and condition) or net realisable value whichever is less. Inventory as appearing in the financial

statements is inclusive of duties, taxes and freight, in terms of Para 10 to 19 of Ind AS - 2, Inventories. Inventory excludes excise duty, VAT and Goods and Services Tax.

**f. Investments:**

Long-term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments, where applicable.

Current Investments are stated at lower of cost and fair value.

**g. Impairment of Property, Plant and Equipment:**

An asset is considered as impaired when at the balance sheet date there are indications of impairment and the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

**h. Retirement benefits:**

The Company had two scheme of Retirement benefits vis Provident Fund and Gratuity Fund. These expenses were charged against revenue every year. On account of tenure of completion of service of existing employees being less.

**i. Foreign currency transactions:**

Export Sales have been recorded at the prevailing customs rate as on the date of removal of good from the factory. The relevant debtor ledger is debited/credited with appropriate loss / profit on foreign exchange transaction when the sale proceeds are actually received as per Para 21 and para 29 of Ind AS - 21, (The Effect of Changes in Foreign Exchange Rates).

Export or import have been recorded at the prevailing customs rate as on the date of Transaction The relevant debtor / Creditor ledger

is debited/credited with appropriate loss / profit on foreign exchange transaction when the sale proceeds are actually received.

**j. Taxation:**

Provision for taxation has been made in accordance with the Income-tax laws and rules prevailing at the time of the relevant assessment years. Further the provision of deferred tax asset and liability have been made considering the principle of prudence as per Para 16-18 & 58 to 68C of Ind AS - 12 (Income Taxes).

**k. Earnings per share:**

The basic earnings per share is computed and disclosed by dividing the net profit after tax attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year, adjusted for the effects of all dilutive potential equity shares, if any.

**l. Contingent Liabilities:**

Provision is made for all known liabilities. Contingent liabilities if any are disclosed in the accounts by way of a note.

## **Explanatory Notes to the Financial Statements**

---

### **1. CURRENT ASSET BALANCES**

Balances of Sundry Creditors, Sundry Debtors and loans and advances are subject to confirmation. In the opinion of the Board of Directors, the current assets, loans and advances have a value on realisation at least equal to the amounts at which they are stated in the Balance Sheet.

### **2. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

The company has declared a dividend of Rs.0.5 per share amounting Rs. 60,03,363.50 for FY 2021-22, Rs.1.75 per share amounting Rs. 1,75,11,281 for FY 2020-21 and Rs.1.5 per share amounting to Rs. 1,34,57,034 for FY 2019-20. However the same have not been recognized as expense in the view of Para 12 & 13 of Ind AS-10 (Events after the Reporting Period). No contingencies have arisen which have a specific quantified effect on the financial statements after the balance sheet date, in terms of Para 4 of the said accounting standard.

### **3. CHANGE IN ACCOUNTING POLICY**

There has been no other changes in the accounting policy, in terms of Para 14 to 21 of Ind AS - 8 (Accounting Policies, Change in Accounting Estimates and Errors).

### **4. EMPLOYEE BENEFITS**

#### **a. Defined contribution to Provident fund and Employee state insurance**

The company makes contribution towards employees' provident fund and employees' state insurance plan Scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year ended 31st March 2022 recognized Rs. 18.80 Lacs as expense towards contributions to these plans.

#### **b. Defined Contribution Benefit Plans (Gratuity)**

Gratuity is a benefit that is payable under the Payment of Gratuity Act 1972. Gratuity is a sum of money paid by an employer to an employee for services rendered in the company. But, gratuity is paid only to employees who complete five or more years with the company. The Company during the year ended 31st March 2022 recognized Rs 5.44 lacs as expenses toward contribution to these plan The company's gratuity plan is not funded. The following table sets out the status of the gratuity plan as required under Para 11 of Ind AS-19 (Employee Benefits).

#### I Change in Present Value of Obligations

	AS AT 31 MARCH 2020	AS AT 31 MARCH 2021	AS AT 31 MARCH 2022
Present Value of Obligation as at the beginning of the year	16,27,445.00	18,22,149.00	18,81,196.00
Current year service Cost	4,00,811.00	4,74,219.00	6,05,016.00
Interest Cost	1,10,666.00	1,18,440.00	1,27,921.00
Actuarial (gain) / Loss on obligations	(3,16,773.00)	(5,33,612.00)	(1,38,612.00)
Benefit Paid	Nil	Nil	(1,88,510.00)
<b>Present Value of Obligation as at the end of the year</b>	<b>18,22,149.00</b>	<b>18,81,196.00</b>	<b>22,87,011.00</b>

#### II The amount recognised in Balance Sheet

	AS AT 31 MARCH 2020	AS AT 31 MARCH 2021	AS AT 31 MARCH 2022
Present Value of Obligation as at the beginning of the year	16,27,445.00	18,22,149.00	18,81,196.00
Fair Present Value at the end of the year	18,22,149.00	18,81,196.00	22,87,011.00
<b>Net Liability Recognised in Balance Sheet</b>	<b>1,94,704.00</b>	<b>59,047.00</b>	<b>4,05,815.00</b>

#### III Amount recognised in Profit and Loss

	AS AT 31 MARCH 2020	AS AT 31 MARCH 2021	AS AT 31 MARCH 2022
Current Service Cost	4,00,811.00	4,74,219.00	6,05,016.00
Interest Cost	1,10,666.00	1,18,440.00	1,27,921.00



Net Actuarial (Gain)/ Loss recognised in the year	(3,16,773.00)	(5,33,612.00)	(1,88,510.00)
<b>Expenses Recognised in the Income and Expenditure Account</b>	<b>1,94,704.00</b>	<b>59,047.00</b>	<b>5,44,427.00</b>

IV Assumptions	Gratuity ((Indian Assured Life Mortality)		
	AS AT 31 MARCH 2020	AS AT 31 MARCH 2021	AS AT 31 MARCH 2022
Mortality Rate			
Discount Rate	0.068	6.50%	6.80%
Interest Cost	0.068	7.00%	7.00%

## 5. LEASES

Assets taken on lease includes leasehold land, and Staff Quarters taken from GIDC on full payment of future lease payments. The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

	AS AT 31 MARCH 2020	AS AT 31 MARCH 2021	AS AT 31 MARCH 2022
Not Later than 1 year	Nil	Nil	Nil
Later than 1 year and not later than 5 years	Nil	Nil	Nil
Beyond 5 Years	Nil	Nil	Nil

The operating lease cost of Rs. 12,80,970/-, Rs. 28,68,779/- and Rs. 1,64,45,464/- (including capitalized borrowing costs) has been prepaid. The same was not amortized as expenditure over the remaining lease term. However, in compliance with the requirements of Para 33 of Ind AS-17 (Leases) the cumulative unapportioned cost of lease is adjusted against the accumulated profits and the apportionment of the lease cost over its remaining economic useful life is recognized as an expense on straight line basis for the current period.

## 6. EARNING PER SHARE

The basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net

profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The company presents basic and diluted EPS from continuing and discontinuing operations separately. Computation of EPS is set out below:

	AS AT 31-Mar-20	AS AT 31-Mar-21	AS AT 31-Mar-22
<b>A. Earnings</b>			
(i) Total Comprehensive Income for the period	9,62,45,306	9,75,41,975.25	13,39,86,057.04
(ii) Total Income from Discontinued Operation for the period	Nil	Nil	Nil
(iii) Total	9,62,45,306	9,75,41,975	13,39,86,057
<b>Shares</b>			
<b>B. Weighted average No of shares at the end of the year for basic and diluted EPS</b>	89,71,356	1,00,06,446.00	1,20,06,700.00
<b>C. Weighted Average No of shares at the end of the year as per para 27 28 29 64 and 65 of Ind AS 33</b>			
(i) No. of shares at the beginning of the year	89,71,356	89,71,356	1,00,06,446
(ii) Bonus Share	10,35,090	10,35,090	20,00,254
	20,00,254	20,00,254	
(iii) Additional allotment of shares during the year	Nil	Nil	Nil
(iv) Weighted Average No. of shares during the year - Basic	1,20,06,700	1,20,06,700	1,20,06,700
(v) Weighted Average No. of shares during the year - Diluted *	1,20,06,700	1,20,06,700	1,20,06,700
<b>D. EPS on the basis of weighted average No of shares at the end of the year (A/B)</b>			
Earning per share of par value Rs. 10 - Basic [A(i)/B]	9.62	8.12	11.16
Earning per share of par value Rs. 10 - Diluted [A(i)/B]	9.62	8.12	11.16
Earning Per Share for Discontinued operation			
Earning per share of par value Rs. 10 - Basic [A(ii)/B]	Nil	Nil	Nil
Earning per share of par value Rs. 10 - Diluted [A(ii)/B]	Nil	Nil	Nil
Earning Per Share for Continuing + Discontinued Operation [A(iii)/B]			
Earning per share of par value Rs. 10 - Basic	9.62	8.12	11.16
Earning per share of par value Rs. 10 - Diluted	9.62	8.12	11.16
<b>E. EPS on the basis of weighted average No of shares at the end of the year as per para 27 28 29 64 and 65(A/B)</b>			
Earning per share of par value Rs. 10 - Basic [A(i)/C(iv)]	8.02	8.12	11.16
Earning per share of par value Rs. 10 - Diluted [A(i)/C(v)]	8.02	8.12	11.16
Earning Per Share for Discontinued operation			
Earning per share of par value Rs. 10 - Basic [A(ii)/C(iv)]	Nil	Nil	Nil
Earning per share of par value Rs. 10 - Diluted [A(ii)/C(v)]	Nil	Nil	Nil
Earning Per Share for Continuing + Discontinued Operation			
Earning per share of par value Rs. 10 - Basic [A(iii)/C(iv)]	8.02	8.12	11.16
Earning per share of par value Rs. 10 - Diluted [A(iii)/C(v)]	8.02	8.12	11.16

## 7. DEFERRED TAX ASSET / LIABILITY

During the current year, the company has recognised a deferred tax assets on account of temporary difference for taxation. Accordingly a deferred tax liability has been increased or decrease which has been adjusted to the existing deferred tax liability balance considering the principle of prudence as per Para 17-18 & 58 of Ind AS - 12 (Income Taxes).

Factors creating Deferred Tax Liability	AS AT	AS AT	AS AT
	31 MARCH 2021	31 MARCH 2021	31 MARCH 2021
Depreciation as per Companies Act, 2013	2,24,06,195.03	2,53,73,021.14	3,14,92,504.13
Depreciation as per Income Tax Act, 1961	2,01,68,073.00	2,39,31,170.00	2,99,25,380.00
Temporary Difference & Resultant Deferred Tax Assets	22,38,122.03	14,41,851.14	15,67,124.13
Deferred Tax Liability / (Assets)	(5,63,291.00)	(3,62,885.00)	(3,94,414.00)
Add: Opening Balance of Deferred Tax Liability	33,16,371.00	27,53,080.00	23,90,195.00
Closing Balance of Deferred Tax Liability	27,53,080.00	23,90,195.00	19,95,781.00

## 8. CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of section 135 of the Companies Act, 2013 and the rules made thereunder, your Company has constituted Corporate Social Responsibility Committee of Directors and framed a CSR Policy. The role of the Committee is to review CSR activities of the Company periodically and recommend to the Board amount of expenditure to be spent on CSR annually.

CSR policy of the Company encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. Company has spent amount for CSR as per following table.

Particular	AS AT	AS AT	AS AT
	31 MARCH 2020	31 MARCH 2021	31 MARCH 2022
Corporate social responsibility (CSR)			
1 Amount required to be spent by the company during the year	12,72,000.00	18,53,761.91	22,90,705.47

2 Amount of expenditure incurred	<b>12,87,000.00</b>	<b>18,56,518.00</b>	<b>22,95,934.66</b>
3 Shortfall at the end of the year	Nil	Nil	Nil
4 Total of previous years shortfall	Nil	Nil	Nil
Total	12,87,000.00	18,56,518.00	22,95,934.66

**For Rushik J Patel & Co.**  
**Chartered Accountants**

**CA Rushik J Patel**

**Proprietor**

**Membership No.148969**

**F.R.No.135751W**

**Place Surat**

**Date 2nd February 2023**

**UDIN: 23148969BGSNMR9095**

**Chandulal Manubhai Kothia**

**DIN: 00652806**

**Managing Director**

**Gunjanbhai C Kothia**

**DIN: 07408125**

**Whole Time Director**

**Parth Chandulal Kothia**

**DIN: 08830608**

**Chief Financial Officer**

**Sunnykumar J Narwani**

**PAN: AOKPN7565F**

**Company Secretary**

Annexur  
e VI  
RESTATED FIXED ASSETS

	Fixed Assets			Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2019	Additions	Disposal/ Adjustment	Balance as at 31 March 2020	Balance as at 1 April 2019	Depreciation charge for the year	Deductions/ Adjustments	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019	
a											
<b>Tangible Assets</b>											
Land - Leasehold	10,64,719	-	-	10,64,719	33,269	16,635	-	49,904	10,14,815	10,31,450	
Land-Plot 6012	1,64,45,464	-	-	1,64,45,464	2,56,960	5,13,920	-	7,70,880	1,56,74,584	1,61,88,504	
Plot No.3194 (Staff Quarters)	27,10,844	-	-	27,10,844	58,372	29,186	-	87,557	26,23,287	26,52,472	
Plant & Machinery	5,67,85,163	39,59,733	-	6,07,44,896	3,57,42,687	33,02,787	-	3,90,45,474	2,16,99,422	2,10,42,476	
Plant & Machinery new	5,30,40,924	2,30,91,818	-	7,61,32,743	3,00,570	97,29,444	-	1,00,30,015	6,61,02,728	5,27,40,354	
Electrical Installation	29,96,094	2,69,344	-	32,65,437	22,76,349	2,19,566	-	24,95,916	7,69,522	7,19,744	
Electrical Installation New	36,78,492	16,51,735	-	53,30,227	38,865	12,81,925	-	13,20,789	40,09,437	36,39,627	
Furniture & Fixtures	49,51,856	3,49,344	-	53,01,199	32,81,332	4,77,123	-	37,58,456	15,42,743	16,70,523	
ETP Machinery	29,35,550	-	-	29,35,550	21,32,174	1,15,778	-	22,47,952	6,87,598	8,03,375	
Factory Building	2,85,87,706	5,54,150	-	2,91,41,856	1,08,56,041	17,41,015	-	1,25,97,056	1,65,44,800	1,77,31,665	
Factory Building New	1,63,48,727	92,86,980	-	2,56,35,707	60,552	19,31,379	-	19,91,930	2,36,43,777	1,62,88,175	
Gas Connection	6,10,050	-	-	6,10,050	5,38,521	10,598	-	5,49,119	60,931	71,530	
Instalation & Erection	63,679	-	-	63,679	60,495	-	-	60,495	3,184	3,184	
Computer	19,06,234	1,22,253	-	20,28,487	17,13,138	1,15,285	-	18,28,423	2,00,064	1,93,096	
Computer New	63,270	-	-	63,270	1,642	47,665	-	49,307	13,963	61,628	
Laboratory Equipment	48,02,264	6,74,733	-	54,76,997	22,88,744	7,31,676	-	30,20,420	24,56,577	25,13,520	
Office Equipment	3,31,914	4,01,730	-	7,33,644	2,79,653	76,641	-	3,56,294	3,77,349	52,261	
Air Conditioner	6,27,106	30,000	-	6,57,106	5,83,078	14,636	-	5,97,714	59,392	44,028	
Motor Car Wagon R	4,19,447	-	-	4,19,447	3,98,475	-	-	3,98,475	20,972	20,972	
AUDI Q3 35 TDI-CAR	41,37,390	-	-	41,37,390	14,91,862	9,15,541	-	24,07,403	17,29,987	26,45,528	
Mobile Instrument	98,225	-	-	98,225	93,400	-	-	93,400	4,825	4,825	
Telephone Instrument	25,736	1,35,503	-	1,61,239	21,649	43,644	-	65,293	95,946	4,087	
DG Set 320 KVA	15,96,484	23,906	-	16,20,391	3,53,135	3,30,727	-	6,83,861	9,36,529	12,43,350	
Fortuner 2Wd 2.8L AT FU	34,26,445	-	-	34,26,445	7,62,355	8,63,972	-	16,26,327	18,00,118	26,64,090	
Vehicle	3,16,241	-	-	3,16,241	2,89,807	5,536	-	2,95,342	20,899	26,434	
Cycles	19,375	-	-	19,375	18,038	291	-	18,329	1,046	1,337	
Photocopier Device	1,39,650	-	-	1,39,650	1,32,667	-	-	1,32,667	6,983	6,983	
Motor Car-Nissan Terrano	12,17,386	-	-	12,17,386	10,77,994	47,280	-	11,25,273	92,113	1,39,392	
Bike Delux	53,500	-	-	53,500	40,756	3,418	-	44,174	9,326	12,744	
<b>Total</b>	<b>20,93,99,935</b>	<b>4,05,51,229</b>	-	<b>24,99,51,164</b>	<b>6,51,82,580</b>	<b>2,25,65,667</b>	-	<b>8,77,48,247</b>	<b>16,22,02,917</b>	<b>14,42,17,355</b>	
<b>Intangible Assets</b>											
License	9,53,921	1,21,800	-	10,75,721	2,15,475	4,00,268	-	6,15,743	4,59,978	7,38,446	
Microsoft License	1,35,081	-	-	1,35,081	1,28,326	-	-	1,28,326	6,755	6,755	
Solvent License	20,000	-	-	20,000	19,000	-	-	19,000	1,000	1,000	
<b>Total</b>	<b>11,09,002</b>	<b>1,21,800</b>	-	<b>12,30,802</b>	<b>3,62,801</b>	<b>4,00,268</b>	-	<b>7,63,070</b>	<b>4,67,732</b>	<b>7,46,201</b>	
<b>Total</b>	<b>21,05,08,937</b>	<b>4,06,73,029</b>	-	<b>25,11,81,966</b>	<b>6,55,45,381</b>	<b>2,29,65,936</b>	-	<b>8,85,11,316</b>	<b>16,26,70,650</b>	<b>14,49,63,556</b>	

	Fixed Assets			Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2020	Additions	Disposal/ Adjustment	Balance as at 31 March 2021	Balance as at 1 April 2020	Depreciation charge for the year	Deductions/ Adjustments	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020	
a											
<b>Tangible Assets</b>											
<b>Unit 1</b>											
Land - Leasehold	10,64,719	-	-	10,64,719	49,904	16,635	-	66,539	9,98,180	10,14,815	
Land-Plot 6012	1,64,45,464	-	-	1,64,45,464	7,70,880	5,13,920	-	12,84,800	1,51,60,664	1,56,74,584	
Plot No.3194 (Staff Quarters)	27,10,844	-	-	27,10,844	87,557	29,186	-	1,16,743	25,94,101	26,23,287	
Plant & Machinery	6,07,44,896	16,75,360	-	6,24,20,256	3,90,45,474	32,87,106	-	4,23,32,580	2,00,87,676	2,16,99,422	
Plant & Machinery new	7,61,32,743	1,25,25,551	-	8,86,58,293	1,00,30,015	1,06,48,815	-	2,06,78,829	6,79,79,464	6,61,02,728	
Electrical Installation	32,65,437	5,66,202	-	38,31,639	24,95,916	2,38,415	-	27,34,330	10,97,309	7,69,522	
Electrical Installation New	53,30,227	30,703	-	53,60,930	13,20,789	11,21,174	-	24,41,963	29,18,967	40,09,437	
Furniture & Fixtures	53,01,199	83,898	-	53,85,097	37,58,456	4,11,001	-	41,69,456	12,15,641	15,42,743	
ETP Machinery	29,35,550	4,05,000	-	33,40,550	22,47,952	1,02,015	-	23,49,967	9,90,583	6,87,598	
Factory Building	2,91,41,856	5,75,497	-	2,97,17,353	1,25,97,056	16,07,004	-	1,42,04,060	1,55,13,293	1,65,44,800	
Factory Building New	2,56,35,707	39,64,709	-	2,96,00,416	19,91,930	25,03,740	-	44,95,670	2,51,04,746	2,36,43,777	
Gas Connection	6,10,050	-	-	6,10,050	5,49,119	9,028	-	5,58,147	51,903	60,931	
Instalation & Erection	63,679	-	-	63,679	60,495	-	-	60,495	3,184	3,184	
Computer	20,28,487	1,82,590	-	22,11,078	18,28,423	1,59,583	-	19,88,006	2,23,072	2,00,064	
Computer New	63,270	-	-	63,270	49,307	10,799	-	60,107	3,163	13,963	
Laboratory Equipment	54,76,997	33,15,824	-	87,92,821	30,20,420	11,02,360	-	41,22,780	46,70,041	24,56,577	
Office Equipment	7,33,644	2,30,301	-	9,63,945	3,56,294	2,20,768	-	5,77,063	3,86,882	3,77,349	
Air Conditioner	6,57,106	-	-	6,57,106	5,97,714	15,996	-	6,13,710	43,396	59,392	
Motor Car Wagon R	4,19,447	-	-	4,19,447	3,98,475	-	20,972	4,19,447	-	20,972	
AUDI Q3 35 TDI-CAR	41,37,390	-	-	41,37,390	24,07,403	5,98,699	-	30,06,102	11,31,288	17,29,987	
Mobile Instrument	98,225	21,356	-	1,19,581	93,400	828	-	94,228	25,353	4,825	
Telephone Instrument	1,61,239	10,989	-	1,72,228	65,293	48,689	-	1,13,982	58,246	95,946	
DG Set 320 KVA	16,20,391	-	-	16,20,391	6,83,861	2,46,378	-	9,30,239	6,90,151	9,36,529	
Fortuner 2Wd 2.8L AT FU	34,26,445	-	-	34,26,445	16,26,327	5,83,783	-	22,10,110	12,16,335	18,00,118	
Motor Car Grand i10	-	7,71,648	-	7,71,648	-	1,37,348	-	1,37,348	6,34,300	-	
Vehicle	3,16,241	81,500	-	3,97,741	2,95,342	7,746	-	3,03,089	94,652	20,899	
Cycles	19,375	-	-	19,375	18,329	-	1,046	19,375	-	1,046	
Photocopier Device	1,39,650	-	-	1,39,650	1,32,667	-	-	1,32,667	6,983	6,983	
Motor Car-Nissan Terrano	12,17,386	-	-	12,17,386	11,25,273	15,622	76,491	12,17,386	0	92,113	
Bike Delux	53,500	-	-	53,500	44,174	2,501	-	46,675	6,825	9,326	
<b>Unit 2</b>											
Land-Plot 6714-15	-	41,04,000	-	41,04,000	-	59,478	-	59,478	40,44,522	-	
Air Condition - Unit 2	-	24,700	-	24,700	-	9,272	-	9,272	15,428	-	
Computer - Unit 2	-	68,700	-	68,700	-	36,139	-	36,139	32,561	-	
Computer LG LED - Unit 2	-	11,000	-	11,000	-	5,786	-	5,786	5,214	-	
Electricals Installation - Unit 2	-	8,83,700	-	8,83,700	-	1,90,528	-	1,90,528	6,93,172	-	
ETP Plant & Machinery -Unit 2	-	25,100	-	25,100	-	2,908	-	2,908	22,192	-	



	Fixed Assets			Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2021	Additions	Disposal/ Adjustment	Balance as at 31 March 2022	Balance as at 1 April 2021	Depreciation charge for the year	Deductions/ Adjustments	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021	
<b>Tangible Assets</b>											
<b>Unit 1</b>											
Land - Leasehold	10,64,719	-	-	10,64,719	66,539	16,635	83,173	9,81,546	9,98,180		
Land-Plot 6012	1,64,45,464	-	-	1,64,45,464	12,84,800	5,13,920	17,98,720	1,46,46,744	1,51,60,664		
Plot No.3194 (Staff Quarters)	27,10,844	-	-	27,10,844	1,16,743	29,186	1,45,929	25,64,915	25,94,101		
Plant & Machinery	15,10,78,549	4,57,09,272		19,67,87,821	6,30,11,410	1,72,83,890	8,02,95,299	11,64,92,521	8,80,67,140		
Electrical Installation	91,92,570	16,73,122		1,08,65,691	51,76,293	14,23,905	66,00,199	42,65,493	40,16,276		
Furniture & Fixtures	53,85,097	42,68,418		96,53,515	41,69,456	9,12,686	50,82,142	45,71,373	12,15,641		
ETP Machinery	33,40,550	60,391		34,00,941	23,49,967	1,49,596	24,99,563	9,01,377	9,90,583		
Factory Building	5,93,17,769	38,19,864		6,31,37,633	1,86,99,730	41,25,616	2,28,25,347	4,03,12,287	4,06,18,039		
Gas Connection	6,10,050	-		6,10,050	5,58,147	8,692	5,66,839	43,212	51,903		
Installation & Erection	63,679	-		63,679	60,495	-	60,495	3,184	3,184		
Computer	22,74,348	6,40,008		29,14,356	20,48,113	2,81,687	23,29,799	5,84,557	2,26,235		
Laboratory Equipment	87,92,821	14,43,034		1,02,35,854	41,22,780	14,60,204	55,82,984	46,52,870	46,70,041		
Office Equipment	16,21,051	12,79,848		29,00,899	11,90,773	6,57,019	18,47,791	10,53,107	4,30,278		
AUDI Q3 35 TDI-CAR	41,37,390	84,000		42,21,390	30,06,102	5,47,370	35,53,472	6,67,918	11,31,288		
Telephone Instrument	2,91,809	2,13,300		5,05,108	2,08,210	88,202	2,96,412	2,08,696	83,599		
DG Set 320 KVA	16,20,391	36,800		16,20,391	9,30,239	2,06,812	11,37,051	4,83,339	6,90,151		
Fortuner 2Wd 2.8L AT FU	34,26,445			34,63,245	22,10,110	5,11,604	27,21,714	7,41,531	12,16,335		
Motor Car Grand i10	7,71,648			7,71,648	1,37,348	2,09,099	3,46,447	4,25,201	6,34,300		
Vehicle	4,51,241	56,078		5,07,319	3,49,763	38,841	3,88,604	1,18,715	1,01,478		
R&D Equipments - 13.91%	-	43,36,412		43,36,412	-	7,60,325	7,60,325	35,76,087	-		
Photocopier Device	1,39,650		6,983	1,32,667	1,32,667	-	1,32,667	-	6,983		
<b>Unit 2</b>											
Land-Plot 6714-15	41,04,000		-	41,04,000	59,478	59,478	1,18,956	39,85,044	40,44,522		
Air Condition - Unit 2	24,700			24,700	9,272	7,222	16,494	8,206	15,428		
Computer - Unit 2	68,700			68,700	36,139	21,985	58,124	10,576	32,561		
Computer LG LED - Unit 2	11,000			11,000	5,786	3,520	9,307	1,693	5,214		
Electricals Installation - Unit 2	8,83,700	90,038		9,73,738	1,90,528	1,92,603	3,83,132	5,90,606	6,93,172		
ETP Plant & Machinery -Unit 2	25,100	2,69,523		2,94,623	2,908	12,564	15,472	2,79,151	22,192		
Factory Building 10% - Unit 2	50,71,681	6,40,737		57,12,418	4,01,431	4,75,855	8,77,286	48,35,132	46,70,250		
Furniture & Fitting -Unit 2	76,300			76,300	16,451	15,682	32,132	44,168	59,849		
Laboratory Equipments -Unit 2	20,000			20,000	4,312	4,134	8,446	11,554	15,688		
Office Equipment - Unit 2	1,04,700			1,04,700	39,304	30,611	69,915	34,785	65,396		
Piping -Unit 2	22,000	53,985		75,985	2,549	6,079	8,628	67,358	19,451		
Plant & Machinery - Unit 2	1,11,63,568	41,12,634		1,52,76,202	12,93,412	16,24,707	29,18,119	1,23,58,084	98,70,156		
Water Cooler - Unit 2	8,000			8,000	3,003	2,339	5,342	2,658	4,997		
<b>Unit 5</b>											
Dahej Plot No.D-2/I7/16	-	4,77,25,108		4,77,25,108	-	-	-	4,77,25,108	-		
<b>Total</b>	<b>29,43,19,533</b>	<b>6,87,87,463</b>	<b>6,983</b>	<b>36,31,00,013</b>	<b>11,18,94,260</b>	<b>3,16,82,067</b>	<b>-</b>	<b>26,72,48,795</b>	<b>18,24,25,273</b>		



Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1 April 2021	Additions	Disposal/ Adjustment	Balance as at 31 March 2022	Balance as at 1 April 2021	Depreciation charge for the	Deductions/ Adjustments	Balance as at 31 March 2022	Balance as at 31 March 2021
<b>Intangible Assets</b>									
<b>Unit 1</b>									
License	11,08,819	2,500	-	11,11,319	8,57,063	2,31,714	-	10,88,776	2,51,756
Software	1,78,467	2,51,346	-	4,29,813	23,985	1,79,855	-	2,03,839	1,54,483
<b>Unit 2</b>									
Goodwill	75,24,000	-	-	75,24,000	18,81,000	18,81,000	-	37,62,000	56,43,000
License and Concert Fees - Unit 2	61,865	-	-	61,865	23,224	18,087	-	41,311	38,641
<b>Unit 5</b>									
License and Concert Fees- Unit 5	-	6,61,500	-	6,61,500	-	-	-	-	-
<b>Total</b>	<b>88,73,151</b>	<b>9,15,346</b>	-	<b>97,88,497</b>	<b>27,85,271</b>	<b>23,10,656</b>	-	<b>50,95,927</b>	<b>60,87,880</b>
<b>Capital Work in Progress</b>	2,04,83,233	1,04,45,886	-	3,09,29,119	-	-	-	3,09,29,119	2,04,83,233
<b>Total</b>	<b>30,31,92,685</b>	<b>6,97,02,809</b>	<b>6,983</b>	<b>37,28,88,510</b>	<b>11,46,79,531</b>	<b>3,39,92,723</b>	<b>-</b>	<b>14,86,72,254</b>	<b>20,89,96,387</b>

## Annexure VII RESTATED NON CURRENT INVESTMENTS

Particulars	(In Rs.)	(In Rs.)	(In Rs.)
	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
<b>(a) Investment in Equity Instruments</b>			
In Unquoted Fully paid up Equity Shares of Ankleshwar Research & Analytical Infra. Ltd (Number of Shares-50,000)	5,00,000	7,00,000	7,00,000
Other non-trade investments - Kamlam Foundation	-	-	1,00,000
<b>Aggregate amount of unquoted Investments</b>	<b>5,00,000</b>	<b>7,00,000</b>	<b>8,00,000</b>
<b>Aggregate Cost of Quoted Investment</b>	-	-	-
<b>Aggregate Cost of Unquoted Investment</b>	5,00,000	7,00,000	8,00,000
<b>Aggregate Market Value of Quoted</b>	-	-	-
<b>Total</b>	<b>5,00,000</b>	<b>7,00,000</b>	<b>8,00,000</b>

## Annexure VIII RESTATED LONG TERM LOANS AND ADVANCES

Particulars	(In Rs.)	(In Rs.)	(In Rs.)
	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
(Unsecured and Considered Good)			
<b>a. Long Term Loans &amp; Advances recoverable from Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company</b>	-	-	-
<b>b. Other Long Term Loans &amp; Advances</b>			
Security Deposits	92,60,219	60,37,160	61,40,574
Bank deposit with more than 12 month Maturity	-	93,37,504	1,07,84,866
Advance against Capital Expenditure	-	-	-
<b>Total</b>	<b>92,60,219</b>	<b>1,53,74,664</b>	<b>1,69,25,440</b>

## Annexure IX RESTATED INVENTORIES

Particulars	(In Rs.)	(In Rs.)	(In Rs.)
	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
a. Raw Materials and components (Valued at Cost as per FIFO Method)	91,06,125	4,15,26,361	4,65,19,564
b. Work-in-progress (Valued At Estimated Cost)	-	1,92,40,678	4,42,25,407
c. Finished goods (Valued At Lower of Cost or NRV)	4,51,86,266	6,56,18,973	4,46,22,911
d. Stock-in Trade (Valued At Lower of Cost or NRV)	-	-	-
e. Stores and spares & Packing Materials (Valued at Lower of Cost or NRV as per FIFO Method)	7,49,271	7,48,627	10,44,867
<b>Total</b>	<b>5,50,41,663</b>	<b>12,71,34,639</b>	<b>13,64,12,748</b>

## Annexure X RESTATED SHORT-TERM LOANS AND ADVANCES

Particulars	(In Rs.)	(In Rs.)	(In Rs.)
	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
<b>a. Loans and advances to Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company</b>	-	-	-
<b>b. Balance with Government Authorities</b>	73,42,528	1,44,12,511	2,32,00,610
<b>c. Others (specify nature)</b>			
i) Prepaid Expenses	8,56,030	8,77,796	16,94,665
ii) Advances Recoverable in cash or in kind			
Considered good	4,51,481	81,84,165	2,58,01,240
Considered doubtful	-	-	-
Less: Provision for doubtful advances	-	-	-
Sub-total	4,51,481	81,84,165	2,58,01,240
<b>Total</b>	<b>86,50,039</b>	<b>2,34,74,472</b>	<b>5,06,96,515</b>

Particulars	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
(Unsecured and Considered Good)			
<b>a. From Directors/Promoters/ Promoter Group/Associates/ Relatives of Directors / Group Companies</b>			
Over Six Months	-	-	-
Others	-	-	-
<b>b. From Others</b>			
a) Over Six Months	-	-	-
Considered good	6,45,165	1,54,875	5,26,863
Considered doubtful	-	-	-
Less: Provision for doubtful debts	-	-	-
Sub-total	6,45,165	1,54,875	5,26,863
b) Others	16,56,73,007	13,31,08,990	18,32,70,121
<b>Total</b>	<b>16,63,18,172</b>	<b>13,32,63,865</b>	<b>18,37,96,984</b>

**Trade Receivables Ageing Schedule for year ended 2020**

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	
(i) Undisputed Trade receivables – considered good	16,56,73,007	4,90,290	-	-	-	16,61,63,297
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables–considered good				1,54,875		1,54,875
(v) Disputed Trade Receivables – which have significant increase in credit risk					-	-
(vi) Disputed Trade Receivables – credit impaired						-

**Trade Receivables Ageing Schedule for year ended 2021**

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	
(i) Undisputed Trade receivables – considered good	13,31,35,657	-26,667	-	-	-	13,31,08,990
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables–considered good					1,54,875	1,54,875
(v) Disputed Trade Receivables – which have significant increase in credit risk					-	-
(vi) Disputed Trade Receivables – credit impaired						-

Annexur RESTATED SHARE CAPITAL  
e XVII

Annexure XVII

Share Capital	As at 31st March 2020		As at 31st March 2021		As at 31st March 2022	
	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.
<b>Authorised</b>						
Equity Shares of Rs.10 each	1,00,00,000	10,00,00,000	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
<b>Issued</b>						
Equity Shares of Rs.10 each	89,71,356	8,97,13,560	1,00,06,446	10,00,64,460	1,20,06,727	12,00,67,270
<b>Subscribed &amp; Paid up</b>						
Equity Shares of Rs.10 each fully paid up	89,71,356	8,97,13,560	1,00,06,446	10,00,64,460	1,20,06,727	12,00,67,270
<b>Total</b>	<b>89,71,356</b>	<b>8,97,13,560</b>	<b>1,00,06,446</b>	<b>10,00,64,460</b>	<b>1,20,06,727</b>	<b>12,00,67,270</b>

Annexur RESTATED RECONCILIATION OF NUMBER OF SHARES  
e XVII(a)

Particulars	As at 31st March 2020		As at 31st March 2021		As at 31st March 2022	
	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.
Shares outstanding at the beginning of the year	89,71,356	8,97,13,560	89,71,356	8,97,13,560	1,00,06,446	10,00,64,460
Shares Issued during the year	-	-	-	-	-	-
Bonus Share Issue	-	-	10,35,090	1,03,50,900	20,00,281	2,00,02,810
Shares outstanding at the end of the year	89,71,356	8,97,13,560	1,00,06,446	10,00,64,460	1,20,06,727	12,00,67,270

Annexur RESTATED SHARES HELD BY PROMOTORES AT END OF THE YEAR  
e XVII(b)

Name of Promotor	2019-20		2020-21		2021-22	
	No of Share	% Of Total Shares	No of Share	% Of Total Shares	No of Share	% Of Total Shares
Chandulal Manubhai Kothia	723000.00	8.06	3848374.00	38.46	4941062.00	41.15
Hanshaben Chandubhai Kothia	477288.00	5.32	964199.00	9.64	1452754.00	12.1
Pooja Gunjan Kothia	0.00	0	500000.00	5	600000.00	5
Vilasben Ashokkumar Kothia	436266.00	4.86	486604.00	4.86	583924.00	4.86
Ashokkumar Manubhai Kothia	300000.00	3.34	334615.00	3.34	401538.00	3.34
Manubhai Jivabhai Kothiya	1022574.00	11.4	269178.00	2.69	87138.00	0.73
Gunjan Chandulal Kothia	0.00	0	100000.00	1	120000.00	1
Kothia Ashokkumar Manubhai (Huf)	7896.00	0.09	8807.00	0.09	10568.00	0.09

Share percentage holding by each promoter calculated on the basis of share hold by each of them at the end of respective year

Annexur RESTATED DETAILS OF SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE CO.  
e XVII(c)

Name of Shareholder	As at 31st March 2020		As at 31st March 2021		As at 31st March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Chandu Manubhai Kothia	7,23,000	8.06%	38,48,374	38.46%	49,41,062	41.15%
Hansaben Chandubhai Kothia	4,77,288	5.32%	9,64,199	9.64%	14,52,754	12.10%
Pooja Gunjan Kothia	-	0.00%	5,00,000	5.00%	6,00,000	5.00%
Hasmukh Manubhai Kothia	7,59,246	8.46%	-	0.00%	-	0.00%
Manu Jeevabhai Kothia	10,22,574	11.40%	2,69,178	2.69%	87,138	0.73%
Subhash Babubhai Kothia	5,14,566.00	5.74%	-	0.00%	-	0.00%

The Equity Shares of the Company have voting rights and are subject to the restrictions as prescribed under the Companies Act, 2013.

Annexur RESTATED STATEMENT OF CHANGE IN EQUITY  
e XVII(d)

1. RESTATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2020

Particular		Share Capital	Securities Premium	Capital Reserve	Retained Earning	Stock options outstanding account	Share Pending Allotment	Total
i. Equity as at 31 March 2019	A	8,97,13,560.00	7,00,54,215.00	Nil	17,84,62,012.55	Nil	Nil	33,82,29,787.55
ii. Profit for the year		Nil	Nil	Nil	9,62,45,305.55	Nil	Nil	9,62,45,305.55
iii. Other Comprehensive Income for the Year		Nil	Nil	Nil	Nil	Nil	Nil	Nil
iv. Total Comprehensive Income for the Year	B (ii+iii)	Nil	Nil	Nil	9,62,45,305.5		Nil	9,62,45,305.5

v. Dividend Paid to Shareholders		Nil	Nil	Nil	(1,35,19,385.00)	Nil	Nil	(1,35,19,385.00)
vi. Provison for Share of Income Tax on dissolution of Ashok Phar		Nil	Nil	Nil	Nil	Nil	Nil	Nil
vii. Share Issued during the year		Nil	Nil	Nil	Nil	Nil	Nil	Nil
Viii. Total Transactions	C (v+vi+vii)	Nil	Nil	Nil	(1,35,19,385.00)	Nil	Nil	(1,35,19,385.00)
<b>Equity As on 31 March 2020</b>		<b>8,97,13,560.00</b>	<b>7,00,54,215.00</b>	<b>Nil</b>	<b>26,11,87,933.10</b>	<b>Nil</b>	<b>Nil</b>	<b>42,09,55,708.10</b>

## 2. RESTATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2021

Particular		Share Capital	Securities Premium	Capital Reserve	Retained Earning	Stock options outstanding account	Share Pending Allotment	Total
i. Equity as at 31 March 2020	<b>A</b>	8,97,13,560.00	7,00,54,215.00	Nil	26,11,87,933.10	Nil	Nil	42,09,55,708.10
ii. Profit for the year		Nil	Nil	Nil	9,75,41,975.25	Nil	Nil	9,75,41,975.25
iii. Other Comprehensive Income for the Year		Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>iv. Total Comprehensive Income for the Year</b>	<b>B (ii+iii)</b>	Nil	Nil	Nil	9,75,41,975.3		Nil	9,75,41,975.3
v. Dividend Paid to Shareholders		Nil	Nil	Nil	(1,34,57,034.00)	Nil	Nil	(1,34,57,034.00)
vi. Provison for Share of Income Tax on dissolution of Ashok Phar		Nil	Nil	Nil	(50,08,861.44)	Nil	Nil	(50,08,861.44)
vii. Share Issued during the year		1,03,50,900.00	Nil	Nil	(1,03,50,900.00)	Nil	Nil	Nil
Viii. Total Transactions	C (v+vi+vii)	1,03,50,900.00	Nil	Nil	(2,88,16,795.44)	Nil	Nil	(1,84,65,895.44)
<b>Equity As on 31 March 2021</b>		<b>10,00,64,460.00</b>	<b>7,00,54,215.00</b>	<b>Nil</b>	<b>32,99,13,112.91</b>	<b>Nil</b>	<b>Nil</b>	<b>50,00,31,787.91</b>

## 3. RESTATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2022

Particular		Share Capital	Securities Premium	Capital Reserve	Retained Earning	Stock options outstanding account	Share Pending Allotment	Total
i. Equity as at 31 March 2021	<b>A</b>	10,00,64,460.00	7,00,54,215.00	Nil	32,99,13,112.91	Nil	Nil	50,00,31,787.91
ii. Profit for the year		Nil	Nil	Nil	13,39,86,057.04	Nil	Nil	13,39,86,057.04
iii. Other Comprehensive Income for the Year		Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>iv. Total Comprehensive Income for the Year</b>	<b>B (ii+iii)</b>	Nil	Nil	Nil	13,39,86,057.0		Nil	13,39,86,057.0
v. Dividend Paid to Shareholders				Nil	(1,75,11,280.50)	Nil	Nil	(1,75,11,280.50)
vi. Provision for Tax		Nil		Nil	(7,67,561.80)	Nil	Nil	(7,67,561.80)
vii. Share Issued during the year		2,00,02,810.00	(2,00,02,810.00)	Nil	Nil	Nil	Nil	Nil
Viii. Total Transactions	C (v+vi+vii)	2,00,02,810.00	(2,00,02,810.00)	Nil	(1,82,78,842.30)	Nil	Nil	(1,82,78,842.30)
<b>Equity As on 31 March 2022</b>		<b>12,00,67,270.00</b>	<b>5,00,51,405.00</b>	<b>Nil</b>	<b>44,56,20,327.65</b>	<b>Nil</b>	<b>Nil</b>	<b>61,57,39,002.65</b>

As per our attached restated report of even date.

**For Rushik J Patel & Co.**  
Chartered Accountants

**Chandulal Manubhai Kothia | DIN: 00652806**  
Managing Director

**CA Rushik J Patel**  
Proprietor  
Membership No.148969  
F.R.No.135751W  
Place Surat  
Date 2nd February 2023  
UDIN: 23148969BGSNMR9095

**Gunjanbhai C Kothia | DIN: 07408125**  
Whole Time Director

**Parth Chandulal Kothia | DIN: 08830608**  
Chief Financial Officer

**Sunnykumar J Narwani | PAN: AOKPN7565F**  
Company Secretary

## Trade Receivables Ageing Schedule for year ended 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	18,30,64,460	5,67,122	10,527	-	-	18,36,42,109
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	1,54,875	1,54,875
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

### Annexure XII RESTATED CASH AND BANK BALANCES

Particulars	(In Rs.)	(In Rs.)	(In Rs.)
	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
<b>a. Cash &amp; cash equivalents</b>			
Cash on hand	1,17,152	1,70,429	1,77,621
Balances with banks	-	-	-
- In current accounts	3,94,707	11,11,686	-
- Axis Bank Ca A/C No. 917020070693932	2,34,483	94,881	36,446
- Axis Bank Dividend A/C 921020038767724	-	-	4,277
- Axis Bank Euro A/c-910020014374137	-	59,82,863	1,69,69,005
- UCO Bank -20790210003053	-	19,366	19,006
- Axis Bank A/c 458010200005432	-	7,00,081	1,94,955
- Axis Bank Dividend Ac 918020088968407	15,000	-	-
- Axis bank Dividend Ac 919020066256772	18,750	-	-
- Axis Bank US\$ A/c-910020014318384	1,67,59,324	2,65,83,805	1,54,22,080
- Axis Bank - Debit balance of CC Account	-	-	60,08,747
<b>b. Balance in Deposit Accounts</b>			
- Fixed Deposits against various Banks	-	-	-
<b>Total</b>	<b>1,75,39,417</b>	<b>3,46,63,111</b>	<b>3,88,32,138</b>

### Annexure XIII RESTATED CURRENT INVESTMENTS

Particulars	(In Rs.)	(In Rs.)	(In Rs.)
	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
<b>Unquoted Investments</b>			
(a) Investment in Partnership	4,05,10,491	-	-
Aggregate amount of unquoted Investments	4,05,10,491	-	-
<b>Quoted Investments</b>			
	3,00,00,000	3,12,30,229	-
Aggregate amount of Quoted Investments	3,00,00,000	3,12,30,229	-
Aggregate Cost of Quoted Investment	3,00,00,000	3,12,30,229	-
Aggregate Cost of Unquoted Investment	4,05,10,491	-	-
Aggregate Market Value of Quoted	-	-	-
<b>Total</b>	<b>7,05,10,491</b>	<b>3,12,30,229</b>	<b>-</b>

## Annexure XVI RESTATED CURRENT TAX ASSETS (NET)

(In Rs.)

(In Rs.)

(In Rs.)

Particulars	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
Current Tax Assets net	3,01,05,543	3,01,41,382	3,93,23,702
<b>Total</b>	<b>3,01,05,543</b>	<b>3,01,41,382</b>	<b>3,93,23,702</b>

## Annexure XVIII RESTATED RESERVE AND SURPLUS

Particulars	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
<b>A. Securities Premium Account</b>			
Opening Balance	7,00,54,215	7,00,54,215	7,00,54,215
Add : Securities premium credited on Share issue	-	-	-
Less : Premium Utilised for various reasons			
For Issuing Bonus Shares	-	-	2,00,02,810
Closing Balance	7,00,54,215	7,00,54,215	5,00,51,405
<b>B. Other Equity</b>			
<b>Other Comprehensive Income</b>			
<b>Remeasurement of the defined benefit Plans</b>			
Opening Balance	(11,96,111)	(11,96,111)	(11,96,111)
Addition During the year	-	-	-
Deletion During the year	-	-	-
Closing Balance	<b>(11,96,111)</b>	<b>(11,96,111)</b>	<b>(11,96,111)</b>
<b>Remeasurement of Fair Value of Leasehold Land</b>			
Opening Balance	(3,74,186)	(3,74,186)	(3,74,186)
Addition During the year	-	-	-
Deletion During the year	-	-	-
Closing Balance	(3,74,186)	(3,74,186)	(3,74,186)
	<b>(15,70,297)</b>	<b>(15,70,297)</b>	<b>(15,70,297)</b>

Particulars	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
<b>C. Surplus</b>			
Opening balance	18,00,32,309	26,27,58,230	33,14,83,410
(+) Net Profit/(Net Loss) For the current year	9,62,45,306	9,75,41,975	13,39,86,057
(-) Preliminary Expenses Written off	-	-	-
(-) Proposed Equity Dividend	1,35,19,385	1,34,57,034	1,75,11,281
(-) Provision for Income Tax	-	-	7,67,562
(-) Transfer for Issue of Bonus Shares	-	1,03,50,900	-
(-) Provision for Share of Income Tax on dissolution of Ashok Pharma	-	50,08,861	-
(-) Adjustment in F.A as per Companies Act,2013	-	-	-
Closing Balance	<b>26,27,58,230</b>	<b>33,14,83,410</b>	<b>44,71,90,624</b>
<b>Total</b>	<b>33,12,42,148</b>	<b>39,99,67,328</b>	<b>49,56,71,733</b>

## Annexure XIX RESTATED LONG TERM BORROWINGS

(In Rs.)

(In Rs.)

(In Rs.)

Particulars	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
<b>Secured</b>			
<b>(a) Term loans</b>			
<b>From Bank &amp; Financial Institutions</b>			
- Term Loan	-	-	-
- Vehicle Loan	4,15,015	-	-
<b>From Others</b>	-	-	-
Sub-total (a)	4,15,015	-	-
<b>Unsecured</b>			
<b>(b) Loans and advances from related parties</b>	-	-	-
<b>(c) Loans and Advances from Bank &amp; Financial Institutions</b>			
- Business Loans from Banks	-	-	-
- Business Loans from Financial Institutions	-	-	-
Sub-total (b) + (c)	-	-	-
<b>Total</b>	<b>4,15,015</b>	<b>-</b>	<b>-</b>

**Secured By Exclusive First And Exclusive Hypothecation Charge Of Vechile**

There has been no default in repayment of Principal and Interest on the above Loans

Annexure XX	RESTATED LONG TERM PROVISIONS	(In Rs.)	(In Rs.)	(In Rs.)
		As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
	<b>Particulars</b>			
	<b>Provision for employee benefits</b>			
	(i) Superannuation	-	-	-
	(ii) Gratuity Provision	17,80,446	16,80,826	20,26,736
	(iii) Leave Encashment	-	-	-
	(iv) Others	-	-	-
	<b>Total</b>	<b>17,80,446</b>	<b>16,80,826</b>	<b>20,26,736</b>

Annexure XXI	RESTATED SHORT TERM BORROWINGS	(In Rs.)	(In Rs.)	(In Rs.)
		As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
	<b>Particulars</b>			
	<u>Secured</u>			
	(a) Working Capital Loans : Cash Credit from a Bank	2,07,36,427	17,31,955	-
	(b) Current maturities of Long Term Debt	19,62,971	4,15,015	-
	(c) Loan from Bank	-	-	-
	<b>Total</b>	<b>2,26,99,398</b>	<b>21,46,970</b>	<b>-</b>

*Secured by exclusive first hypothecation charge of entire current assets of the company (present and future)*

*Also above facilities are secured by a charge in favour of Axis Bank Ltd. over the immovable properties situated at Plot no. 6011, GIDC, Ankleshwar 393002, Dist. Bharuch, for credit limits sanctioned by it.*

*(of the above, whole of the amount is guaranteed by Directors)*

*Terms of Repayment: Payable on demand*

Annexure XXII	RESTATED TRADE PAYABLES	(In Rs.)	(In Rs.)	(In Rs.)
		As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
	<b>Particulars</b>			
	(a) Due to Micro, Small and Medium Enterprises	28,62,208	19,20,834	23,23,516
	(b) Due to Others	3,57,24,645	6,01,56,090	9,24,11,620
	<b>Total</b>	<b>3,85,86,852</b>	<b>6,20,76,924</b>	<b>9,47,35,136</b>

**Trade Payable Ageing Schedule for year ended 2020**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	28,62,208	-	-	-	28,62,208
(ii) Others	3,57,13,788	10,857	-	-	3,57,24,645
(iii) Disputed dues- MSME					-
(iv) Disputed dues - Others					-

**Trade Payable Ageing Schedule for year ended 2021**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	7,45,548	-	-	-	7,45,548
(ii) Others	6,07,09,973	6,21,403	-	-	6,13,31,376
(iii) Disputed dues- MSME					-
(iv) Disputed dues - Others					-



### Trade Payable Ageing Schedule for year ended 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	9,12,424	-	-	-	9,12,424
(ii) Others	9,37,62,121	60,591	-	-	9,38,22,712
(iii) Disputed dues- MSME					-
(iv) Disputed dues - Others					-

#### Annexure XXIII

#### RESTATED SHORT TERM PROVISIONS

(In Rs.)

(In Rs.)

(In Rs.)

Particulars	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
(i) Statutory Provisions			
- Central Excise, Customs Duty, VAT and Service Tax Payable			
- Tax Deducted at Source	8,33,951	1,73,364	14,54,525
- Tax Collected at Source		18,539	6,863
(ii) Provision for Employee Benefits:			
Machinery Loan Interest			
- Provident Fund, ESI, Gratuity and professional Tax	2,60,089	4,79,016	5,83,044
- Salary and Reimbursements	18,96,303	32,98,764	46,13,079
(iii) Other Provisions			
- Unpaid Dividends	33,750	-	4,277
- Provision for Expenses	6,26,863.00	13,68,471.11	25,39,953.00
<b>Total</b>	<b>36,50,956</b>	<b>53,38,154</b>	<b>92,01,740</b>

#### Annexure XXIV

#### RESTATED CURRENT TAX LIABILITIES (NET)

(In Rs.)

(In Rs.)

(In Rs.)

Particulars	As at 31st March 2020	As at 31st March 2021	As at 31st March 2022
(i) Provision for tax	3,17,57,317	3,23,15,611	4,64,60,475
<b>Total</b>	<b>3,17,57,317</b>	<b>3,23,15,611</b>	<b>4,64,60,475</b>

Annexure No.	Particulars	2020	2021	2022
		Amt./RS.	Amt./RS.	Amt./RS.
<b>Annexure XXV</b>	<b><u>RESTATED Revenue From Operations</u></b>			
<b>I.</b>	<b><u>Sale of goods/services as applicable</u></b>			
(a)	Sales of goods			
i)	Sale of manufactured goods (net of excise)	58,42,55,806	49,08,23,362	71,28,80,559
	Less: Excise duty			
	Sale of manufactured goods (net of excise)	58,42,55,806	49,08,23,362	71,28,80,559
ii)	Sale of traded goods	-	-	-
	<b>Total</b>	<b>58,42,55,806</b>	<b>49,08,23,362</b>	<b>71,28,80,559</b>
(b)	Sale of services	-	-	-
	<b>TOTAL</b>	<b>58,42,55,806</b>	<b>49,08,23,362</b>	<b>71,28,80,559</b>
<b>II.</b>	<b><u>Other Operating Revenue</u></b>			
	<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GROSS TOTAL</b>	<b>58,42,55,806</b>	<b>49,08,23,362</b>	<b>71,28,80,559</b>
<b>Annexure XXVI</b>	<b><u>RESTATED OTHER INCOME</u></b>			
	Income From MEIS Licence	75,48,779	-	-
	Custom Duty Drawback	30,15,098	28,30,598	43,95,157
	Exchange Rate Difference	2,14,92,363	96,42,203	2,65,75,571
	Freight Received	9,595	19,650	47,900
	Interest on Capital from Ashok Pharma Chem	6,70,442	8,12,430	-
	Profit from Ashok Pharma Chem	24,05,277	52,20,690	-
	Income From Mutual Fund	49,45,268	10,58,764	26,43,980
	Interest on Others	10,67,485	7,91,403	15,23,285
	Rebate & Discount	4,58,167	3,46,605	2,72,944
	Rent Income	1,31,435	1,29,888	1,03,416
	Moratorium Benefit	-	824	-
	Notice Pay Recovery from Employees	-	7,204	34,068
	Sundries written off	-	48,477	50,011
	Redemption of HPCL Drive Star	1,609	1,250	2,650
	Cash Discount on ETL Exp.	28,299	32,843	31,738
	Cash Discount from HPCL Drive Track	5,900	-	-
	<b>Total</b>	<b>4,17,79,717</b>	<b>2,09,42,830</b>	<b>3,56,80,720</b>
	<b>Gross Total</b>	<b>4,17,79,717</b>	<b>2,09,42,830</b>	<b>3,56,80,720</b>

<b>Annexure XXVII <u>RESTATED COST OF MATERIAL CONSUMED</u></b>				
	Cost of Purchase of Raw Material	34,52,99,493	29,22,75,752	37,92,30,292
	Add: Opening Stock of Raw Material	1,89,17,197	91,06,125	4,15,26,361
	Less: Closing Stock of Raw Material	91,06,125	4,15,26,361	4,65,19,564
	<b>Total</b>	<b>35,51,10,565</b>	<b>25,98,55,516</b>	<b>37,42,37,089</b>

<b>Annexure XXVIII <u>RESTATED CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</u></b>				
(a)	<b><u>Inventories at the end of year</u></b>			
	Finished Goods - Manufactured	4,51,86,266	6,56,18,973	4,46,22,911
	Work-in-Progress	-	1,92,40,678	4,42,25,407
		<b>4,51,86,266</b>	<b>8,48,59,651</b>	<b>8,88,48,318</b>

(b)	<b><u>Inventories at the Beginning of the Year</u></b>			
	Finished Goods - Manufactured	4,15,06,408	4,51,86,266	6,56,18,973
	Work-in-Progress	45,27,070	-	1,92,40,678
		<b>4,60,33,478</b>	<b>4,51,86,266</b>	<b>8,48,59,651</b>
	<b>Net (Increase)/Decrease</b>	<b>8,47,211</b>	<b>- 3,96,73,385</b>	<b>- 39,88,667</b>

Annexure No.	Particulars	2020	2021	2022
		Amt./RS.	Amt./RS.	Amt./RS.
<b>Annexure XXIX</b>	<b><u>RESTATED EMPLOYEE BENEFIT EXPENSES</u></b>			
	Director Remuneration	1,09,00,000	1,41,95,361	1,53,00,000
	Incentive to Directors	-	-	25,00,000
	Bonus	6,15,050	9,76,777	10,83,830
	ESIC Expenses	2,62,315	2,83,728	2,85,522
	Provident Fund Expenses	9,19,823	12,48,892	15,94,701
	Wages Expenses	44,23,178	54,31,439	59,50,693
	Gratuity Exps	1,94,704	59,047	5,44,427
	Salary Expenses	1,46,97,826	1,54,32,794	1,92,58,516
	Staff Welfare Expenses	5,95,047	8,08,917	8,09,056
	Stipend Exp for Trainees	12,750	-	-
	Labour Welfare Fund -Employer	756	1,836	1,902
	Incentive to Employee	10,100	30,540	-
	<b>Gross Total</b>	<b>3,26,31,549</b>	<b>3,84,69,331</b>	<b>4,73,28,647</b>
<b>Annexure XXX</b>	<b><u>RESTATED FINANCE COST</u></b>			
	Bank Charges	4,13,837	2,98,965	4,08,916
	Bank Interest Expenses (CC)	4,53,210	28,532	1,15,315
	Interest on Unsecured Loan	-	-	4,07,214
	Car Loan Interest	2,86,523	1,30,451	3,924
	CC Processing Charges	52,836	50,884	-
	Interest on Income Tax	35,040	16,649	-
	Interest to Others	94,890	1,28,082	5,23,099
	LC Charges	71,399	23,813	-
	<b>Total</b>	<b>14,07,735</b>	<b>6,77,376</b>	<b>14,58,469</b>
<b>Annexure XXXI</b>	<b><u>RESTATED OTHER EXPENSES</u></b>			
	Advance Authorization Fees	90,112	1,06,711	62,020
	Advertisement Expenses	10,22,571	9,33,324	4,98,385
	Amortization of Leasehold Land	5,59,741	6,19,219	6,19,219
	Auditor	75,000	75,000	1,35,000
	Clearing & Forwarding Charges	45,16,407	34,54,953	35,78,297
	Clearing & Forwarding Expenses	44,48,346	63,58,973	1,72,85,721
	Consultancy Charges	2,01,360	1,91,050	-
	Canteen Expenses	3,20,637	3,77,240	7,70,740
	Conveyance Expenses	84,391	44,870	11,056
	Demate Charges	-	-	650
	CSR Expenditure	12,87,000	18,56,518	22,95,935
	Customs Duty Expenses	87,992	9,28,080	24,37,318
	Cess Tax Exp	6,16,808	5,07,728	7,83,704
	Donation Expenses	20,000	43,500	2,500
	Drainage Cess Expenses	56,520	1,67,302	2,23,194
	Foreign Consultancy Charges	-	48,281	1,81,350
	GST Expenses	-	62,968	1,600
	Electricity Expenses	1,32,18,483	1,30,77,575	1,72,71,933
	Electricity Exps. Mumbai Office	-	-	21,070
	ETP Expenses	21,00,111	22,92,678	27,22,610
	Fees & Subscription	1,54,617	6,82,892	14,24,018
	Freight Charges	40,425	1,16,517	4,72,560
	GIDC Other Expenses	7,150	33,457	46,771
	Hiring Charges	2,74,80,461	3,28,80,223	1,51,08,765
	Hotel Expenses	4,02,610	16,661	-
	Inspection Charges	-	3,815	-

Annexure No.	Particulars	2020	2021	2022
		Amt./RS.	Amt./RS.	Amt./RS.
	Insurance Premium Expenses	5,59,499	9,68,196	10,86,541
	ISO 14000 Audit Fees	91,000	22,500	22,500
	Boiler Fees	-	6,600	9,000
	GST Late Fees	50	404	-
	Internal Audit Fees	27,000	25,000	25,000
	IPO Expenses written off	6,67,526	5,00,860	5,00,860
	Market Making Expenses	3,00,000.00	Nil	17,000.00
	Job Work Expenses	-	4,88,557	2,72,838
	Legal Expenses	60,287	1,96,122	20,345
	Loading & Unloading Expenses	18,000	29,292	24,434
	Miscellaneous Expenses	1,09,168	53,425	17,560
	Medical Exps	23,050	2,98,608	-
	Mumbai Office Rent Expenses	-	1,80,000	5,40,000
	Notified Area Tax	5,44,950	6,36,287	5,85,444
	Notice Period Payment	34,534	-	730
	Office General Expenses	5,10,341	5,10,333	7,63,083
	Packing Material	45,59,012	47,98,857	68,46,183
	Petrol Expenses	2,86,809	3,00,313	3,18,302
	Postage & Courier Expenses	2,20,976	3,02,164	5,13,208
	Printing & Stationery Expenses	3,19,040	3,32,602	3,77,859
	Professional Charges	12,32,606	24,95,434	24,91,925
	Professional Tax (Company)	2,400	2,400	2,400
	Rights Issue Expenses	-	-	4,23,500
	Round Off	- 152	78	- 54
	Rate Difference	-	-	2,30,000
	Repairs & Maintenance	34,87,463	19,03,627	26,40,232
	ROC Expenses	17,700	3,78,100	-
	Sales Commission Expenses	17,55,020	23,74,086	30,33,569
	Loss on Sale on Car	-	12,463	-
	Security Charges	6,70,062	8,77,206	9,14,257
	Sundries written off Exps	1,07,406	-	-
	Telephone Expenses	65,833	69,180	99,554
	Testing Expenses	55,645	1,63,570	1,11,039
	Transport Expenses	12,09,574	20,02,001	16,78,633
	Traveling Expenses	4,44,283	59,204	1,98,941
	Utility Expenses	1,02,55,295	87,56,113	2,25,66,546
	Utility Expenses Retail	10,34,111	10,32,587	23,22,172
	VAT Expenses	-	3,78,969	-
	Vehicle Repairs & Maintenance	70,548	27,410	2,21,654
	Water Charges	6,63,160	6,26,549	12,70,450
	<b>Gross Total</b>	<b>8,61,92,937</b>	<b>9,56,88,631</b>	<b>11,61,00,119</b>

RESTATED SUMMARY OF ACCOUNTING RATIOS

Annexure -XXXII

Sr.No	Ratio Analysis	Numerator	31-Mar				Denominator	Ratios				
			20	21	22	20		21	22			
1	Current Ratio	Current Assets	Rs in lakhs 3481.65	Rs in lakhs 3,799.08	Rs in lakhs 4,490.62	Current Liabilities	Rs in lakhs 966.95	Rs in lakhs 1,018.78	Rs in lakhs 1,503.97	31-Mar-20 3.60	31-Mar-21 3.73	31-Mar-22 2.99
2	Debt Equity Ratio	Total Liabilities Total Outside Liabilities	988.90	1,059.49	1,544.20	Shareholder's Equity Shareholder's Equity	4209.56	5,000.32	6,157.39	0.23	0.21	0.25
3	Debt Service Coverage Ratio	Net Operating Income		1,254.73	1,688.18	Debt Service						
		Net Profit after tax + non-cash operating expenses like depreciation and other amortizations + Interest+other adjustments like loss on sale of fixed assets, etc.	1200.59			Current Debt Obligation (Interest & Lease payment+ Principal Repayment.	14.08	6.77	14.58	85.29	185.23	115.75
4	Return on Equity Ratio	Profit for the period Net Profit after taxes - preference dividend (if any)	962.45	975.42	1,339.86	Avg. Shareholders Equity (Beginning shareholders' equity + Ending shareholders' equity) ÷ 2	3795.93	4,604.94	5,578.85	25.35	21.18	24.02
5	Inventory Turnover Ratio	Cost of Goods sold (Opening Stock + Purchases / Inward) – Closing Stock	3555.20	2,249.81	3,770.95	Average Inventory (Opening Stock + Closing Stock)/2	600.74	910.88	1,317.74	5.92	2.47	2.86
6	Trade Receivables Turnover Ratio	Net Credit Sales Credit Sales	5842.56	4,908.23	7,128.81	Average Trade Receivables (Beginning Trade Receivables + Ending Trade Receivables) / 2	1317.69	1,497.91	1,585.30	4.43	3.28	4.50
7	Trade Payables Turnover Ratio	Total Purchases Annual Net Credit Purchases	3454.55	2,970.74	3,863.73	Average Trade Payables (Beginning Trade Payables + Ending Trade Payables) / 2	775.49	503.32	784.06	4.45	5.90	4.93

Sr.No	Ratio Analysis	Numerator	31-Mar-20	31-Mar-21	31-Mar-22	Ratios						
						31-Mar-20	31-Mar-21	31-Mar-22				
8	Net Capital Turnover Ratio	Net Sales Total Sales - Sales Return	5842.56	4,908.23	7,128.81	Working Capital Current Assets - Current Liabilities	2,514.71	2,780.30	2,986.65	2.32	1.77	2.39
9	Net Profit Ratio	Net Profit Profit After Tax	962.45306	975.42	1,339.86	Net Sales Sales	5842.56	4,908.23	7,128.81	16.47	19.87	18.80
10	Return on Capital employed	EBIT Profit before Interest and Taxes	1288.47	1,301.72	1,815.11	Capital Employed *	4259.04	5,041.03	6,197.62	30.25	25.82	29.29
11	Return on Investment	Return/Profit/Earnings	-	-	-	Investment	5	7.00	8.00	0.00	0.00	0.00

**RESTATED SUMMARY OF OTHER ACCOUNTING RATIOS**

Annexure -XXXIII

Sr.No	Ratio Analysis	31-Mar-20	31-Mar-21	31-Mar-22
A	Restated Profit After Tax for the year	9,62,45,305.56	9,75,41,975.25	13,39,86,057.04
B	EBITA	15,12,53,261.57	15,74,26,098.40	21,48,84,090.96
C	Current Assets	34,81,65,323.94	37,99,07,697.89	44,90,62,087.24
D	Current Liabilities	9,66,94,523.25	10,18,77,659.03	15,03,97,351.72
E	Adjusted Number of Equity Shares Outstanding at the End of each the year	89,71,356.00	1,00,06,446.00	1,20,06,727.00
F	Adjusted Weighted Average Number of Equity Shares Outstanding at the End of the year as per para 27,28, 29 and 64 of Ind AS 33	1,20,06,727.00	1,20,06,727.00	1,20,06,727.00
G	Net Worth	42,37,08,788.15	50,24,21,982.95	61,77,34,783.69
<b>Accounting Ratios</b>				
(i)	Basic & Diluted Earning per share based on Adjusted Weighted Average Number of Equity Shares for each year (A/E)	10.73	9.75	11.16
(ii)	Basic & Diluted Earning per share based on Adjusted Weighted Average Number of Equity Shares as per para 27,28, 29 and 64 of Ind AS 33 (A/F)	8.02	8.12	11.16
(iii)	Return on Net Worth (A/F)	22.71	19.41	21.69
(iv)	Net Asset Value Per Share based on actual number of share for each year (G/E)	47.2	50.2	51.4
(v)	Net Asset Value Per Share based on common Weighted Average no of share (G/F)	35.3	41.8	51.4
(vi)	Current Ratio(C/D)	3.60	3.73	2.99

## SUMMARY OF STATEMENT OF TAX SHELTERS

## Annexure - XXXIV

(Amt. in Rs.)

	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022
Profit before tax (A)	12,74,39,332	12,94,94,701	18,00,52,118
Tax Rate (%)	25.17%	25.17%	25.17%
Tax at notional rate on profits	3,20,73,931	3,25,91,226	4,53,15,517
<b>Adjustments :</b>			
<b>Permanent Differences(B)</b>			
Donation / CSR disallowance(A)	9,38,500	19,00,018	22,98,435
Personal nature Exps Disallowed	1,86,388	1,07,596	1,13,862
Disallowance u/s 14A (B)			
Interest on delay payment on TDS			
<b>Expenses disallowed under Income Tax Act, 1961</b>	<b>11,24,888</b>	<b>20,07,614</b>	<b>24,12,297</b>
Income not taxable as per Income-tax Act, 1961	24,05,277	52,20,690	
<b>Total Permanent Differences(B)</b>	<b>(12,80,389)</b>	<b>(32,13,076)</b>	<b>24,12,297</b>
<b>Income considered separately (C)</b>	-	-	-
<b>Total Income considered separately (C)</b>	-	-	-
<b>Timing Differences (D)</b>			
Difference between tax depreciation and book depreciation	(22,38,122)	14,41,851	(34,46,024)
Disallowed U/s 43B (1)	-	-	-
Allowed U/s 43B (2)	-	-	-
Loss On Sale Of Assets (3)	-	-	-
Provision for Gratuity Exps (4)	-	-	-
Provision for Doubtful Advances (5)	-	-	-
Bad debts written off against Provision for Doubtful Debts (6)	-	-	-
Contribution by Employees towards Provident Fund (7)			
Profit on sale of assets (8)			
Adjustment u/s 145A (9)			
<b>Total of Difference due to any other items of addition u/s 28 to 44DA [1-2+3+4+5-6+7-8-9]</b>	-	-	-
<b>Total Timing Differences (D)</b>	<b>(22,38,122)</b>	<b>14,41,851</b>	<b>(34,46,024)</b>
<b>Net Adjustments E = (B+D-C)</b>	<b>(35,18,511)</b>	<b>(17,71,225)</b>	<b>(10,33,727)</b>
<b>Tax expense / (saving) thereon</b>	<b>(8,85,539)</b>	<b>(4,45,782)</b>	<b>(2,60,168)</b>
<b>Income from Other Sources (F)</b>	-	-	-
<b>Loss of P.Y. Brought Forward &amp; Adjusted(G)</b>	-	-	-
<b>Taxable Income/(Loss) (A+E+F+G)</b>	<b>12,39,20,820</b>	<b>12,77,23,476</b>	<b>17,90,18,391</b>
<b>Taxable Income/(Loss) as per MAT (see note 2)</b>	12,74,39,332	12,94,94,701	18,00,52,118
<b>Tax as per MAT</b>	NA	NA	NA
<b>Tax as per Normal Calculation</b>	3,17,57,317	3,25,34,069	4,61,71,960
<b>MAT credit entitlement</b>			
<b>Tax paid</b>	3,17,57,317	3,25,34,069	4,61,71,960
<b>Tax paid as per normal or MAT</b>	Normal	Normal	Normal



Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	9,97,25,000	-
Long Term Debt (B)	32,99,63,826	32,99,63,826
<b>Total debts (C)</b>	<b>42,96,88,826</b>	<b>32,99,63,826</b>
<b>Shareholders' funds</b>		
Equity share capital	12,00,67,270	12,84,71,980
Reserve and surplus - as restated	55,69,08,232	73,76,09,497
<b>Total shareholders' funds</b>	<b>67,69,75,502</b>	<b>86,60,81,477</b>
<b>Long term debt / shareholders funds</b>	0.49	0.38
<b>Total debt / shareholders funds</b>	0.63	0.38

**Note: Please give following footnotes:**

1. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31st December 2022
2. Short term Debts includes current maturities of long term debt.
3. The corresponding post Issue figures will be determined upon finalization of Issue Price

Name	Nature of Transaction	Amount of Transaction during 2019-20	Amount Outstanding as on 31.03.20 (Payable)/ Receivable	Amount of Transaction during		Amount Outstanding as on 31.03.21 (Payable)/ Receivable	Amount of Transaction during		Amount Outstanding as on 31.03.22 (Payable)/ Receivable
				2020-21	2021-22		2020-21	2021-22	
Ganesh Corporation	Purchase	11,53,868	6,85,028	24,93,915	33,31,742	3,72,401	24,93,915	33,31,742	2,31,412
Ankleshwar Research & Analytical Infrastructure Ltd	Testing Charges	13,799	-	5,005	16,055	-	5,005	16,055	-
Chandubhai M Kothia	director remuneration	47,00,000	2,04,618	60,75,000	99,00,000	5,90,017	60,75,000	99,00,000	5,65,324
Chandubhai M Kothia	Reimbursement of Expenses	11,598	-	-	8,318	-	-	8,318	-
Chandubhai M Kothia	Interest on Unsecured Loan	-	-	-	3,03,206	-	-	3,03,206	-
Hasmukhbhai M Kothia	director remuneration	36,00,000	1,39,574	38,32,458	-	-	38,32,458	-	-
Ashokbhai M Kothia	director remuneration	26,00,000	52,145	-	-	-	-	-	-
Sanjaybhai H Kothia	Salary	36,00,000	2,23,190	-	-	-	-	-	-
Sanjaybhai H Kothia	Reimbursement of Expenses	62,600	-	-	-	-	-	-	-
Ashok Impex	Sales	-	2,66,798	19,25,170	2,47,094	-	19,25,170	2,47,094	68,06,042
Ashok Impex	Purchase	4,51,178	-	1,08,86,075	1,27,25,360	-	1,08,86,075	1,27,25,360	-
Praharit Pigments LLP	Sales	-	-	-	5,78,514	-	-	5,78,514	-
Praharit Pigments LLP	Reimbursement of Expenses	-	-	-	9,48,600	-	-	9,48,600	-
Praharit Pigments LLP	Purchase	-	-	38,06,231	57,27,817	-	38,06,231	57,27,817	-
Ashok Pharma Chem	Purchase	28,27,590	-	-	-	-	-	-	-
Gunjanbhai C Kothia	Reimbursement of Expenses	1,95,331	10,092	2,74,553	5,12,881	11,37,469	2,74,553	5,12,881	2,23,812
Gunjanbhai C Kothia	director remuneration	-	95,484	39,25,000	36,00,000	48,055	39,25,000	36,00,000	2,23,812
Pooja Kothia	Salary	6,00,000	-	6,00,000	12,00,000	-	6,00,000	12,00,000	87,804
Parth C Kothia	Salary	-	-	7,00,000	-	1,35,139	7,00,000	-	-
Parth C Kothia	director remuneration	-	-	3,62,903	18,00,000	-	3,62,903	18,00,000	18,40,704
Parth C Kothia	Incentive	-	-	-	25,00,000	-	-	25,00,000	-
Parth C Kothia	Interest on Unsecured Loan	-	-	-	1,04,008	-	-	1,04,008	-
Shree Ganesh FIBC Pvt Ltd	Purchase	56,979	-	12,85,951	12,61,739	-	12,85,951	12,61,739	-
Bhumi Ashok kothia	Salary	-	-	-	4,50,000	-	-	4,50,000	43,800
Bhavita Bhavik Kumar Jain	CFO Salary	3,70,951	26,640	-	-	-	-	-	-
Aditya Vikrambhai Patel	CS Salary	1,67,500	14,300	1,74,000	65,808	14,300	1,74,000	65,808	-
Sunnykumar J Narwani	CS Salary	-	-	-	2,62,688	-	-	2,62,688	34,800
Sunnykumar J Narwani	Reimbursement of Expenses	-	-	-	1,534	-	-	1,534	-
Ashok Enterprise	Loading and Unloading Charges	18,000	18,000	-	-	-	-	-	-
Suresh D Panchal	CFO Salary	5,19,345	50,048	7,95,177	9,08,419	64,474	7,95,177	9,08,419	74,535
Shree Ganesh Chemicals	Purchase	-	-	49,89,088	8,92,080	-	49,89,088	8,92,080	-
Shree Ganesh Chemicals	Sales	2,16,487	-	20,67,933	-	-	20,67,933	-	-

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2022
Other income	4,17,79,717	2,09,42,830	3,56,80,720
Net Profit Before Tax	12,74,39,332	12,94,94,701	18,00,52,118
Percentage	32.78%	16.17%	19.82%

## MANAGEMENT DISCUSSION AND ANALYSIS CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with the **“Financial Statements”** beginning on page 92. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read **“Risk Factors”** and **“Forward Looking Statements”** beginning on page 21 and 14, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for FY22, FY21 and FY20 included herein is based on the Financial Statements, included in this Letter of Offer. For further information, see **“Financial Statements”** beginning on page 92.

### OVERVIEW OF OUR BUSINESS

SGRL is an innovative life sciences company with a refreshingly human approach to the way the Company does business. The Company is one of the leading suppliers of Pharmaceutical Intermediates & Specialty Chemicals with Chlorination, Grignard Reaction, Hydrogenation, and High-vacuum distillation at its core expertise. The Company excels in chemistry of Pharmaceutical Intermediates which form the building blocks of the active pharmaceutical ingredient (API).

#### Our Business Strategy

1. Capitalization of opportunity using our core chemical expertise in the development of advanced pharmaceutical intermediates for APIs, NCE, Specialty and Fine-chemicals Market.
2. Investing in innovative technology for cost efficiency, safe and eco- friendly processes.
3. Increase our existing installed capacity
4. Focus on New Product Development and R&D

For further details please see section titled **“Our Business”** on page 71 of the Letter of Offer.

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled **“Risk Factors”** on page 21 of this Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Impact of epidemics and pandemics with respect to recent example of COVID-19 on our business and operations;
- General economic and business conditions in the markets in which we operate and in the local, Regional, National and International economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government(s) could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- Our business and financial performance is particularly based on market demand and supply of our products;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian National, State and Local Governments;
- Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

## SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled “*Financial Information*” on page 92.

## CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter “*Financial Information*” on page 92, there has been no change in accounting policies in last 3 years.

## RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

The Auditors’ Report does not contain any qualification, reservation, adverse remark or disclaimer.

## RESULTS OF OPERATIONS

The following table sets out selected data from the Audited Financial Statement for Financial Year ended March 31, 2022, March 31, 2021 and March 31, 2020, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	FY22		FY21		FY20	
	₹ in Lakhs	% to total income	₹ in Lakhs	% to total income	₹ in Lakhs	% to total income
<b>Income</b>						
Revenue from Operations	7128.81	95.23	4908.23	95.91	5842.56	93.33
Other Income	356.80	4.77	209.43	4.09	417.80	6.67
<b>Total Income</b>	<b>7485.61</b>	<b>100.00</b>	<b>5117.66</b>	<b>100.00</b>	<b>6260.36</b>	<b>100.00</b>
<b>Expenses</b>						
Cost of materials consumed	3742.37	49.99	2598.56	50.78	3551.11	56.72
Purchase of Stock In Trade	0	0.00	0	0.00	0.00	0.00
Changes in inventories	-39.89	-0.53	-396.73	-7.75	8.47	0.14
Employee Benefit Expenses	473.29	6.32	384.69	7.52	326.32	5.21
Finance Cost	14.58	0.19	6.77	0.13	14.08	0.22
Depreciation and amortisation expense	333.74	4.46	272.54	5.33	224.06	3.58
Other Expenses	1161.00	15.51	956.88	18.70	861.93	13.77
<b>Total Expenses</b>	<b>5685.09</b>	<b>75.95</b>	<b>3822.71</b>	<b>74.70</b>	<b>4985.96</b>	<b>79.64</b>
Profit / (Loss) before exceptional items and extraordinary items and Tax	1800.52	24.05	1294.95	25.30	1274.39	20.36
Extraordinary Items	Nil		Nil		Nil	Nil
Profit / (Loss) after exceptional items and extraordinary items and Tax	1800.52	24.05	1294.95	25.30	1274.39	20.36
<b>Tax Expense</b>						
Current Tax	464.60	6.21	323.16	6.31	317.57	5.07

Particulars	FY22		FY21		FY20	
	₹ in Lakhs	% to total income	₹ in Lakhs	% to total income	₹ in Lakhs	% to total income
Deferred Tax	-3.94	-0.05	-3.63	-0.07	-5.63	-0.09
Prior Period Tax Adjustments	0	0.00	0	0.00	0	0
<b>Profit After Tax</b>	<b>1339.86</b>	<b>17.90</b>	<b>975.42</b>	<b>19.06</b>	<b>962.45</b>	<b>15.37</b>
<b>Other Comprehensive Income</b>						
Income that will not be classified to Profit or Loss	-	-	-	-	-	-
Equity Instruments through OCI	-	-	-	-	-	-
Income Tax Relating to the above	-	-	-	-	-	-
Remeasurement of Post-Employment benefit obligation	-	-	-	-	-	-
Income Tax Relating to the above	-	-	-	-	-	-
Other Comprehensive Income for the Year	-	-	-	-	-	-
<b>Total Comprehensive Income for the Year</b>	<b>1339.86</b>	<b>17.90</b>	<b>975.42</b>	<b>19.06</b>	<b>962.45</b>	<b>15.37</b>

### **Total income**

*Our revenue comprises of:*

#### **Revenue from operations**

Our revenue from operations arises out of sale of products.

#### **Other Income**

Our Other income is from Interest Income, rents, rebate and discounts.

#### **Expenses**

Our expenses consist of (i) cost of materials consumed (ii) purchases of goods traded; (iii) changes in inventories (iv) employee benefit expenses; (v) depreciation and amortisation expense; and (vi) other expenses.

#### **Employee benefit expenses**

Employee benefit expense consists of salaries, incentives, remuneration to whole time directors, gratuity and staff welfare expenses.

#### **Depreciation and amortisation expenses**

Depreciation and amortization expenses consist of depreciation, plant and equipment comprising of plant & Machinery, Furniture & Fixtures, Office equipment, Computer and Lab equipment.

#### **Other expenses**

Other expenses include packing material, cess paid, customs duty expenses, freight charges, electricity expenses, ISO 14000 audit fees, boiler fees, GST interest / late fees, hiring charges, utility expenses, utility-retails, water charges, advertisement expenses, amortization of leasehold land, advance license fees, canteen expenses, clearing & forwarding expenses and charges, conveyance expenses, CSR expenditure, donation expenses, loading & unloading expenses, drainage cess expenses, foreign consultancy charges, GST expenses, hotel expenses, inspection charges, insurance premium expenses, internal audit fees, IPO expenses written off, medical expenses, Mumbai office rent expenses, market making expenses, miscellaneous expenses, notice period payment for employees, notified area tax, office general expenses, petrol and diesel expenses, postage & courier expenses, printing & stationery expenses, job work expenses, repairs & maintenance, professional tax (company), round off, ROC expenses, sales commission expenses, loss on sale of car, security charges, telephone expenses, testing expenses, sundries written off, VAT expenses, transportation expenses, travelling expenses, vehicle repairs & maintenance, ETP expenses, consultancy charges, fees & subscription, GIDC other expenses, legal expenses, professional charges and payments to the auditors.

### ***Tax expenses***

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

### **Comparison of Historical Results of Operations of FY22 to FY21**

#### ***Total Income***

Our total revenue, which comprised of revenue from operations and other income, for the Financial Year 2022, was ₹ 7485.61 Lakhs as compared to ₹ 5117.66 Lakhs for the Financial Year 2021 representing a increase of over 46.27%.

#### ***Revenue from operations***

Our revenue from operations, for the Financial Year 2022, was ₹ 7128.81 Lakhs as compared to ₹ 4908.23 Lakhs for the Financial Year 2021 representing an increase of over 45.24%.

#### ***Other income***

Our other income increased by ₹147.37 Lakhs or 70.37% from ₹ 209.43 Lakhs in Financial Year 2021 to ₹356.80 Lakhs in the Financial Year 2022.

#### ***Expenses***

Our Expenditure increased by ₹1862.38 Lakhs or by 48.72% from ₹ 3822.71 Lakhs in Financial Year 2021 to ₹ 5685.09 Lakhs in Financial Year 2022.

#### ***Cost of Materials Consumed***

Our Cost of Materials consumed increased by ₹1143.81 Lakhs or by 44.02% from ₹2598.55 Lakhs in Financial Year 2021 to ₹ 3742.37 Lakhs in Financial Year 2022.

#### ***Change in Inventories***

Our inventories were ₹ (396.73) Lakhs in Financial Year 2021 as compared to ₹ (39.89) Lakhs in Financial Year 2020.

#### ***Employee benefit expenses***

Employee benefits expense increased by ₹ 88 .60 Lakhs or by 23.03% from ₹ 384.69 Lakhs in Financial Year 2021 to ₹ 473.29 Lakhs in Financial Year 2022.

#### ***Finance costs***

Our finance costs expense increased by ₹ 7.81 Lakhs or by 115.36% from ₹6.77 Lakhs in Financial Year 2021 to ₹ 14.58 Lakhs in Financial Year 2022.

#### ***Depreciation and Amortisation Expense***

Our depreciation and amortization expense increased by ₹ 61.20 Lakhs or by 22.46% from ₹272.54 Lakhs in Financial Year 2021 to ₹ 333.74 Lakhs in Financial Year 2022.

#### ***Other expenses***

Our other expenses increased by ₹204.12 Lakhs or by 21.33% from ₹956.88 Lakhs in Financial Year 2021 to ₹1161 in Financial Year 2022.

#### ***Profit/Loss before Tax***

In light of above discussions, our profit before tax increased substantially by ₹505.27 Lakhs or by 39.04% from a profit of ₹ 1294.95 Lakhs in Financial Year 2021 to a profit of ₹ 1800.52 Lakhs in Financial Year 2022.

#### ***Taxation***

Our current taxes increased by ₹141.13 Lakhs or by 44.17% during the Financial Year 2022.

#### ***Profit/Loss after Tax***

For the various reasons discussed above, and following adjustments for tax expense, we recorded a profit of ₹ 1339.86 Lakhs in Financial Year 2022 as compared to a profit of ₹975.42 Lakhs in the Financial Year 2021 which was an increase in Profit after tax by 37.36%.

### **Comparison of Historical Results of Operations of FY22 to FY21**

#### ***Total Income***

Our total revenue, which comprised of revenue from operations and other income, for the Financial Year 2020, was ₹ 6260.36 Lakhs as compared to ₹ 5117.66 Lakhs for the Financial Year 2021 representing a decrease of over 15.99 %.

#### ***Revenue from operations***

Our revenue from operations, for the Financial Year 2021, was ₹ 4908.23 Lakhs as compared to ₹ 5842.56 Lakhs for the Financial Year 2020 representing a decrease of over 15.99%.

#### ***Other income***

Our other income decreased by ₹ 208.37 Lakhs or 49.87% from ₹ 417.80 Lakhs in Financial Year 2020 to ₹209.43 Lakhs in the Financial Year 2021.

#### ***Expenses***

Our Expenditure decreased by ₹ 1163.25 Lakhs or by 23.33% from ₹ 4985.96 Lakhs in Financial Year 2020 to ₹ 3822.71 Lakhs in Financial Year 2021.

#### ***Cost of Materials Consumed***

Our Cost of Materials consumed decreased by ₹ 952.55 Lakhs or by 26.82% from ₹ 3551.11 Lakhs in Financial Year 2020 to ₹ 2598.56 Lakhs in Financial Year 2021.

#### ***Change in Inventories***

Our inventories were ₹ (396.73) Lakhs in Financial Year 2021 as compared to ₹ 8.47 Lakhs in Financial Year 2020.

#### ***Employee benefit expenses***

Employee benefits expense increased by ₹ 58.37 Lakhs or by 17.89% from ₹ 326.32 Lakhs in Financial Year 2020 to ₹ 384.69 Lakhs in Financial Year 2021.

#### ***Finance costs***

Our finance costs expense decreased by ₹ 7.31 Lakhs or by 51.91 % from ₹ 14.08 Lakhs in Financial Year 2020 to ₹ 6.77 Lakhs in Financial Year 2021.

#### ***Depreciation and Amortisation Expense***

Our depreciation and amortization expense increased by ₹ 48.48 Lakhs or by 21.64 % from ₹ 224.06 Lakhs in Financial Year 2020 to ₹ 272.54 Lakhs in Financial Year 2021.

#### ***Other expenses***



Our other expenses increased by ₹ 94.95 Lakhs or by 11.02% from ₹ 861.93 Lakhs in Financial Year 2020 to ₹ 956.88 Lakhs in Financial Year 2021.

#### **Profit/Loss before Tax**

In light of above discussions, our profit before tax increased substantially by ₹ 20.56 Lakhs or by 1.61% from a profit of ₹ 1274.39 Lakhs in Financial Year 2020 to a profit of ₹ 1294.95 Lakhs in Financial Year 2021.

#### **Taxation**

Our current taxes increased by ₹ 7.59 Lakhs or by 2.43% during the Financial Year 2021.

#### **Profit/Loss after Tax**

For the various reasons discussed above, and following adjustments for tax expense, we recorded a profit of ₹ 975.42 Lakhs in Financial Year 2021 as compared to a profit of ₹ 962.45 Lakhs in the Financial Year 2020 which was an increase in Profit after tax by 1.35%.

#### **Comparison of nine months period ended December 31, 2022, compared with nine months period ended December 31, 2021**

Particulars	For the nine months period ended December 31, 2022		For the nine months period ended December 31, 2021	
	Standalone, Unaudited		Standalone, unaudited	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
<b>Income</b>				
Revenue from Operations	6089.26	95.63	5072.98	95.43
Other income	277.96	4.37	242.71	4.57
<b>Total Revenue</b>	<b>6367.22</b>	<b>100.00</b>	<b>5315.69</b>	<b>100.00</b>
<b>Expenses</b>				
Cost of Materials Consumed	3324.90	52.22	2550.90	47.99
Purchase of Stock-in-Trade	0.00	0.00	0.00	0.00
Changes in inventories	-156.90	-2.46	32.37	0.61
Employee benefit expenses	430.18	6.76	328.57	6.18
Finance costs	7.59	0.12	13.06	0.25
Depreciation and amortisation expense	269.65	4.23	275.72	5.19
Other Expenses	996.61	15.65	833.40	15.68
<b>Total Expenses (B)</b>	<b>4872.03</b>	<b>76.52</b>	<b>4034.02</b>	<b>75.89</b>
<b>Profit/(loss) before extraordinary, exceptional items and tax</b>	<b>1495.19</b>	<b>23.48</b>	<b>1281.67</b>	<b>24.11</b>
Exceptional items	0.00	0.00	0.00	0.00
<b>Profit / (loss) before tax</b>	<b>1495.19</b>	<b>23.48</b>	<b>1281.67</b>	<b>24.11</b>
<b>Total Tax Expense</b>	<b>379.88</b>	<b>5.97</b>	<b>325.76</b>	<b>6.13</b>
(i) Current tax	384.98	6.05	329.46	6.20
(ii) Deferred tax	-5.10	-0.08	-3.70	-0.07
<b>Profit for the year (D-E)</b>	<b>1115.32</b>	<b>17.52</b>	<b>955.92</b>	<b>17.98</b>
Other Comprehensive Income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>1,115.32</b>	<b>17.52</b>	<b>955.92</b>	<b>17.98</b>

#### **Comparison of nine months period ended December 31, 2022, compared with nine months period ended December 31, 2021**

#### **Total revenue**

Our total revenue, which comprised of revenue from operations and other income, for nine months period ended December 31, 2022 was ₹ 6367.22 Lakhs as compared to ₹ 5315.69 Lakhs for the nine months period ended December 31, 2021 representing an increase of ₹ 19.78 Lakhs.

#### ***Revenue from Operations***

Our revenue from operations increased to ₹ 6089.26 Lakhs as compared to ₹ 5072.98 Lakhs for nine months period ended December 31, 2021, representing an increase of ₹ 20.03 Lakhs or 0.20 %.

#### ***Other Income***

Our other income increased by ₹ 14.52 Lakhs or 0.20 % from ₹ 242.71 Lakhs in the nine months period ended December 31, 2021 to ₹ 277.96 Lakhs in the nine months period ended December 31, 2022.

#### ***Expenditure***

Total expenses increased by ₹ 20.77 Lakhs or by 0.63 % from ₹ 4034.02 Lakhs in the nine months period ended December 31, 2021 to ₹ 4872.03 Lakhs in the nine months period ended December 31, 2022.

#### ***Cost of Materials Consumed***

Our cost of materials consumed increased by ₹ 30.34 Lakhs or by 4.23% from ₹ 2550.90 Lakhs in the nine months period ended December 31, 2021 to ₹ 3324.90 Lakhs in the nine months period ended December 31, 2022.

#### ***Change in Inventories***

Our inventories decreased to ₹ (156.90) Lakhs from ₹ 32.37 in the nine months period ended December 31, 2021. This was primarily due to an increase in manufacturing, sales during the nine months period ended December 31, 2022.

#### ***Employee benefits expense***

Employee benefits expense increased by ₹ 30.92 Lakhs from ₹ 328.57 Lakhs in the nine months period ended December 31, 2021 to ₹ 430.18 Lakhs in the nine months period ended December 31, 2022.

#### ***Depreciation and amortisation expense***

Depreciation and amortisation expenses decreased by ₹ 2.20 Lakhs or by 0.95 % from ₹ 275.72 Lakhs in the nine months period ended December 31, 2021 to ₹ 269.65 Lakhs in the nine months period ended December 31, 2022.

#### ***Other expenses***

Other expenses increased by ₹ 19.58 Lakhs or by 0.03 % from ₹ 833.40 Lakhs in the nine months period ended December 31, 2021 to ₹ 996.61 Lakhs in the nine months period ended December 31, 2022.

#### ***Profit before tax***

In light of above discussions, our profits increase by ₹ 16.66 Lakhs from ₹ 1281.67 Lakhs for the nine months period ended December 31, 2021 to ₹ 1495.19 Lakhs for the nine months period ended December 31, 2022.

#### ***Tax expense***

Our tax expense increased by ₹ 16.61 Lakhs during the nine months period ended December 31, 2022 due to the increase in profits, as compared to the nine months period ended December 31, 2021.

#### ***Profit***

For the various reasons discussed above, profit after taxes increased by ₹ 16.68 Lakhs or 0.47 % from ₹ 955.92 Lakhs in the nine months period ended December 31, 2021 to ₹ 115.32 Lakhs for the nine months period ended December 31, 2022.

## INFORMATION REQUIRED AS PER ITEM SCHEDULE VI TO THE SEBI REGULATIONS:

1. Unusual or infrequent events or transactions Except as described in this Letter of Offer, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.
2. Significant economic changes Our Company’s operations are dependent on the general economic conditions and any changes in economic conditions may have an adverse impact on the entire industry and consequently on our operations.
3. Known trends or uncertainties Except as described in “*Risk Factors*” and “*Management Discussion and Analysis of Financial Condition and Results of Operations*” in this Letter of Offer, our Company believes there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.
4. The extent to which material increase in net sales or revenues are due to increased sales volume, introduction of new products or increased sales prices.
5. New Products or business segments Other than as described in “*Our Business*” in this Letter of Offer, our Company is not planning to introduce any new products or business segments.
6. Business segment in which our Company operates: Chemical
7. Seasonality of business Our business & level of operations are not seasonal in nature. Our business depends upon the market condition.
8. Dependence on single or few clients Our Company’s operations are not dependent on a particular client or group of clients.
9. Competitive conditions: For details of competition please refer to section “*Business*” on page 71 of the Letter of Offer.

## RELATED PARTY TRANSACTIONS

For details of our related party transactions, see “*Financial Information - Related Party Transactions*” on page 92 in this Letter of Offer.

## MATERIAL DEVELOPMENTS

Except as disclosed in the Letter of Offer there are no significant developments or circumstances that have arisen since March 31, 2022, the date of the last financial statements included in this Letter of Offer:

1. Our company has received approval for reclassifying Hasmukhbhai Manubhai Kothia, Babubhai Manubhai Kothia, Subhashbhai Babubhai Kothia, Pratibha Ketan Bhai Kothia, Kothia Hashmukhbhai Manubhai (HUF), Ketan Hashmukhbhai Kothia (HUF), Ketan Hasmukhbhai Kothia, Champaben Babubhai Kothiya, Meena Subhasbhai Kothia, Manjulaben Hashmukhbhai Kothia, Sanjay Hasmukhbhai Kothiya & Susma Textiles LLP (Formerly Known as Susma Textiles Private Limited) (members of promoter group) as public vide BSE letter dated August 04, 2022.
2. On November 25, 2022 our Company made an announcement that Gujarat Industrial Investment Corporation Limited (GIIC), Gujarat State Financial Corporation (GSFC), and Stressed Assets Stabilization Fund (SASF) has executed the deed of assignment cum sale and memorandum of possession receipt in favour of the Company for transfer of assets (in possession of GIIC Ltd. under Section 29 of SFC Act) of M/s Jaiswal Pharmachem Limited, including the Plot No. 6002 and 6003, GIDC Estate, Ankleshwar (Land Area Approx. 20,100 Sq. Mtrs.)

## MARKET PRICE INFORMATION

The Equity Shares are listed on BSE as on since October 13, 2017. The Rights Equity Shares will be listed on BSE pursuant to the Issue. For further details, see “*Terms of the Issue*” on page 167.

We have received in-principle approvals for listing of the Rights Equity Shares on the Stock Exchanges to be issued pursuant to the Issue from the BSE dated January 19, 2023. Our Company will also make applications to BSE to obtain the listing and trading approvals from the Stock Exchanges for the Rights Entitlements as required under the SEBI Rights Issue Circular.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity Shares, for the year, the month, or the week, as the case may be; and
4. In case of 2 days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares (BSE)

The following table sets forth the high, low and average market price of the Equity Shares recorded on the BSE during the preceding 3 Fiscal and the number of the Equity Shares traded on the days when the high and low prices were recorded:

Fiscal	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Total Volume on date of high (₹)	Low (₹)	Date of low	Volume on date of low (No. of Equity Shares)	Total Volume on date of low (₹)	Average market price (₹)
2022	502.95	September 21, 2021	7090	29,87,976	227.2	February 24, 2022	48938	1,16,60,638	343.78
2021	344.85	March 31, 2021	22016	74,24,594	65	May 05, 2020	4500	3,01,500	150
2020	111	March 4, 2020	9000	9,84,375	54	April 04, 2019	15,000	9,38,100	72.94

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

The total number of Equity Shares traded on the BSE during the last 6 months was 7,91,659 Equity Shares. The average volume of Equity Shares traded on the BSE during the last 6 months was 6333.272 Equity Shares per day.

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last 6 months preceding the date of filing of this Letter of Offer are as follows:

Month	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Total Volume on date of high (₹)	Low (₹)	Date of low	Volume on date of low (No. of Equity Shares)	Total Volume on date of low (₹)	Average market price (₹)
December 2022	293	December 02, 2022	16276	43,84,300	230	December 23, 2022	7469	18,33,516	254.05
November 2022	277.9	November 01, 2022	6800	18,18,181	240.25	November 21, 2022	7506	18,46,042	255
October 2022	299.3	October 27, 2022	60808	1,68,18,655	213.2	October 20, 2022	2739	6,02,512	239.51
September 2022	275	September 16, 2022	6341	16,25,127	225.55	September 01, 2022	9701	22,18,071	239.09
August 2022	284.05	August 01, 2022	3003	7,83,969	223	August 29, 2022	2236	5,11,740	239.62
July 2022	283.95	July 29, 2022	2933	7,56,429	234.55	July 14, 2022	1626	3,99,914	253.68

The Board has approved the Issue at their meeting held on November 19, 2021 and by Rights Issue Committee at their meeting held on October 15, 2022. The high and low prices of Equity Shares as quoted on the BSE on November 19, 2021 and October 15, 2022 were Nil because there was no trading of shares of the Company.

The closing market price of the Equity Shares as on February 05, 2023 i.e., one day prior to filing of Letter of Offer was ₹ Nil on the BSE because it was not a trading day. The Issue Price is ₹ 225 per Rights Equity Share.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND DEFAULTS

Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There are no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Letter of Offer.

Except as disclosed below, there are no outstanding litigation with respect to:

- i. issues of moral turpitude or criminal liability on the part of our Company;
- ii. material violations of statutory regulations by our Company;
- iii. economic offences where proceedings have been initiated against our Company;
- iv. any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company is impleaded as defendant in litigation proceedings before any judicial forum.

- A. Proceedings involving moral turpitude or criminal liability on the part of our Company:** Nil
- B. Litigation involving economic offences where proceedings have been initiated against our Company:** Nil
- C. Proceedings involving economic offences initiated against our Company:** Nil
- D. Labour Cases:** Nil
- E. Litigation involving an amount above the Materiality Threshold**

#### **I. OUTSTANDING LITIGATIONS INVOLVING COMPANY:**

##### **a. Criminal proceedings**

##### **i. Criminal proceedings against company.**

Serial	Case No.	Name of the party	Court at which case is filed	Description of the case	Status
1	2260/2018	R.B.Trivedi (Reginal Officer) Gujarat Pollution Controll Board	Taluka Court, Anklesvar	Case filed by the Regional officer under Section 15, 16, and 19 of the Environment (Protection) Act, 1986	Next hearing date: 11 <sup>th</sup> February, 2023

##### **ii. Criminal proceedings filed by the manager of company.**

Serial	Case No.	Name of the party	Court at which case is filed	Description of the case	Status
1	855/2018	Managing Director of Hermes Chemical Co. Pvt Ltd	Taluka Court, Anklesvar	Case filed by the Manager of the company, R. V. Patel under Section 138 and 142 of the Negotiable Instruments Act, 1881	The case is going on.

**b. Outstanding civil litigation involving Company – Nil**

**c. Actions taken by Statutory / Regulatory Authorities:**

Name of Authority	Details	Amount levied	Remarks
BSE Limited	Delay in making Disclosure of Related Party Transactions on Consolidated basis	76,700/-	Waiver application has been made by the Company
BSE Limited	Corporate Governance report <b><u>Regulatory Charges:</u></b> Did not submit Corporate Governance u/s 17(2) of SEBI (Listing Obligations Disclosures Requirements) Regulations, 2015	Imposed fine INR 11,800/- (31/03/2021)	BSE mentioned further developments – not appearing in the list for the quarter ended 30/07/2021.  However, our Company vide email dated May 21, 2021 responded to BSE that it was duly filed on timely manner.  There is no further action by BSE Limited.

**d. Tax Proceedings: Nil**

**e. Other Material Litigations: Nil**

**f. Arbitration – Nil**

**g. Labour cases – Nil**

**h. District Court cases – Nil**

**i. Details of fines imposed or compounding of offences under the Companies Act in the last five years immediately preceding the year of the Letter of Offer**

There have been no fines imposed on Company or compounding of offences by Company under the Companies Act in the last five years immediately preceding the date of the Letter of Offer.

**j. Material frauds against Company in the last five years immediately preceding the year of the Letter of Offer**

As of the date of the Letter of Offer, there have been no material frauds committed against Company in the last five years

**k. Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act in the last five years immediately preceding the year of Letter of Offer and if there were prosecutions filed (whether pending or not)**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act in the last five years against Company.

**l. Disciplinary Action Including Penalty Imposed by Sebi or Stock Exchanges Against the Promoters in the Last Five Financial Years Including Outstanding Action.**

There have been no disciplinary action including penalty imposed by Sebi or Stock Exchanges Against the Promoters in the Last Five Financial Years Including Outstanding Action.

**m. Outstanding dues to small scale undertakings or any other creditors**

As of 31<sup>st</sup> March, 2022, we had totally 239 creditors and the aggregate amount outstanding to such creditors as on 31<sup>st</sup> March, 2022 was Rs. 947.38 lakhs.

The break-up of creditors on value basis was as under:

<b>Sr. No.</b>	<b>Creditors</b>	<b>No. of Creditors</b>	<b>Rs. in lakhs</b>
1	Outstanding to MSME	19	23.24
2	Others	149	924.14
	<b>Total</b>	<b>239</b>	<b>947.38</b>

**n. Outstanding litigation involving any other persons or companies whose outcome could have an adverse effect on Company**

There is no outstanding litigation against any other persons or companies whose outcome could have an adverse effect on Company.

## **II. LITIGATION INVOLVING DIRECTORS**

**a. Outstanding criminal litigation involving Directors**

**i. Criminal proceedings against Directors: Nil**

**ii. Criminal proceedings by Directors: Nil**

**b. Outstanding civil litigation involving Directors**

**i. Civil proceedings against Directors: Nil**

**ii. Civil proceedings by Directors: Nil**

**c. Actions taken by Statutory / Regulatory Authorities: Nil**



d. Tax Proceedings: Nil

e. Other Material Litigations: Nil

### III. LITIGATION INVOLVING PROMOTERS

a. Outstanding criminal litigation involving Promoters

i. Criminal proceedings against Promoters: Nil

ii. Criminal proceedings by Promoters: Nil

b. Outstanding civil litigation involving Promoters

i. Civil proceedings against Promoters: Nil

ii. Criminal proceedings by Promoters: Nil

c. Actions taken by Statutory / Regulatory Authorities: Nil

d. Tax Proceedings: Nil

e. Other Material Litigations: Nil

### IV. LITIGATION INVOLVING SUBSIDIARIES

a. Litigation filed against Subsidiaries

i. Criminal Proceedings against Subsidiaries: Nil

ii. Actions and Proceedings initiated by Statutory/Regulatory Authorities against Subsidiaries: Nil

iii. Civil Proceedings against Subsidiaries that are considered material as per the materiality policy: Nil

iv. Other matters considered material: Nil

b. Litigation filed by Subsidiaries

i. Criminal Proceedings by Subsidiaries: Nil

ii. Civil Proceedings by Subsidiaries: Nil

iii. Other matters considered material: Nil

### V. TAX PROCEEDINGS

A summary of tax proceedings, in a consolidated manner, involving Company, Promoters, Directors or Subsidiary Companies are stated below:

Sr. No	Nature of Case	Number of Cases	Amount Involved (in INR)	Interest Accrued	Remarks, if any
<b>a. Against Company</b>					
<b>i</b>	<b>Indirect Tax</b>				
	Government of India, Ministry of Finance (Department of Revenue) DGGI	1	3,77,40,924	Nil	The Directorate General of Goods & Services Tax Intelligence has issued a show cause notice on the grounds stating that the company has availed simultaneous benefits by

Sr. No	Nature of Case	Number of Cases	Amount Involved (in INR)	Interest Accrued	Remarks, if any
					saving tax under the Integrated Goods & Service Tax Act, 2017 & also violated provisions of Rule 96 (10) of Central Goods & Services Tax Rules, 2017. Presently, the matter is pending with DGGI and we have filed the petition before High court on 30.06.2022 against it.
<b>ii</b>	<b>Direct Tax</b>				
1	Assessment Year 2019	1	27080/-	22080/-	Response to Outstanding Amount Section code 1431a Disagree with demand (Either in full or Part): Dividend declared on 31/08/2019 and Dividend Distribution Tax (DDT) was on 10/09/2019 which is 15 days of declaration of DDT further same detail is fill up in ITR also, However, during the processing CPC had processed the return with error. Hence, the company disagreed demand.
2	Assessment Year 2020	1	3980410/-	548878/-	The company has filed an Appeal against the demand
2.a.	Assessment year 2020	1	845460/-	109992/-	The company has filed a rectification u/s 143 (3) with the department and awaiting the reply on same.
2.b.	Assessment year 2020	1	3134950/-	438886/-	The company has filed a rectification u/s 143 (3) with the department and awaiting the reply on same.
<b>b. Against Our Promoters and Promoter Group</b>					

Sr. No	Nature of Case	Number of Cases	Amount Involved (in INR)	Interest Accrued	Remarks, if any
<b>i. Direct Tax</b>					
1	Chandulal Kothia* Assessment Year 2011	1	17010	7990	Response to Outstanding Amount (Assessing Officer Response date vide 23/01/2021, demand raised due to mismatch of TDS/Prepaid Taxes. Hence not Collectible.
2	Gunjan Kothia (Assessment Year 2021)	1	62100	Nil	The company has filed a rectification u/s 154 with the department bearing No. 946317410030223 and awaiting the reply on same.
3	Hansa Kothia	1	11290	1120	The company has filed a rectification u/s 1431a with the department and awaiting the reply on same.
<b>ii. Other Tax Proceedings: Nil</b>					
<b>c. Against Directors</b>					
<b>i.</b>	<b>Direct Tax</b>	-	-	-	-
<b>ii.</b>	<b>Other Tax Proceedings</b>	-	-	-	-
<b>d. Against Subsidiary Companies</b>					
<b>i.</b>	<b>Indirect Tax</b>	-	-	-	-
<b>ii.</b>	<b>Direct Tax</b>	-	-	-	-

\*Chanubhai Kothia is director of our company and also being a promoter, his pending tax proceeding is disclosing under the category of promoter.

#### **DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company or the Promoters and nor our Directors are or have been classified as a willful defaulter by a bank or financial institution or a consortium thereof in accordance with the guidelines on willful defaulters issued by RBI.

#### **MATERIAL CHANGES AND COMMITMENTS**

We confirm that other than the disclosures made in the financial statements as appearing in this Letter of Offer, there are no material changes and commitments affecting the financial position of the company.

#### **MATERIAL DEVELOPMENTS SINCE THE DATE OF THE LAST AUDITED ACCOUNTS**

To our knowledge no circumstances have arisen since the date of the latest audited balance sheet i.e. March 31, 2022, 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.

## **GOVERNMENT APPROVALS OR LICENSING ARRANGEMENTS**

In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations. Our Company has received the necessary consents, licenses, registrations, permissions and approvals from the Government of India and various governmental agencies and other statutory and/ or regulatory authorities required to undertake this Issue and carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals and licenses are valid as of the date of this Letter of Offer and in case of licenses and approvals which have expired; we have either made application for renewal or are in the process of making an application for renewal. Except for the following, no further material approvals from any governmental or regulatory authority are pending to undertake the Issue or continue its business activities.

- I. Material approvals for which applications have been made by our Company, but are currently pending grant: NIL
- II. Material approvals for which renewal applications have been made by our Company:
- III. Material approvals which have expired and for which renewal applications are yet to be made by our Company: NIL
- IV. Material approvals required for which no application has been made by our Company: NIL

We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required by us to undertake this Issue and for our present business and except as mentioned below, no further material approvals are required for carrying on our present business operations. Unless otherwise stated, these approvals are valid as on the date of this Letter of Offer.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

### **I. Approvals for the Issue**

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board, pursuant to its resolution dated November 19, 2021, authorized the present Rights Issue;
- b. Our Rights Issue Committee approved the Letter of Offer pursuant to its resolution dated February 06, 2023
- c. In-principal approval from BSE dated January 19, 2023

### **II. Corporate Approvals**

- a. Certificate of Incorporation dated 27<sup>th</sup> April, 1995,
- b. Fresh Certificate of Incorporation dated 28<sup>th</sup> July, 2017 issued by Registrar of Companies, Ahmedabad consequent to the conversion into public limited i.e Shree Ganesh Remedies Limited

### **III. Tax Approvals in relation to our Company**

- a. The Permanent Account Number (PAN) of our Company is ABACS1471R
- b. The Tax Deduction Account Number (TAN) of our Company is BRDS13073E
- c. Registration certificate under The Central Goods and Services Tax Act, 2017 (GST) for the state of Karnataka bearing registration no. 24ABACS1471R1Z0.

### **IV. Approvals obtained in relation to business operations**

Our Company requires various approvals and/or licenses to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

## **Unit I**

- a) Consolidated consent and Authorization No. GPCB/ANK/CCA-902(4)/ID-15656/ to manufacture products from March, 2020 to September 20 under the provisions of various Environment Act/Rules, 21.
- b) Licence No. 23822 issued for the time period from 2<sup>nd</sup> August, 2005 to 31<sup>st</sup> December, 2025 for the Company's premises to be used as a factory within the limits specified in the plan approved by the Joint Director, Industrial Safety & Health, Surat Region vide No. 651 Date 27-Jan-2006 subject to provisions of the Factories Act, 1948 and the Rules made thereunder.

## **Unit II**

- a) Licence No. 20744 issued for the time period from 1<sup>st</sup> January 1994 to 31<sup>st</sup> December, 2025 for the Company's premises to be used as a factory within the limits specified in the plan approved by the Joint Director, Industrial Safety & Health, Surat Region vide No. 932 Date 30-March-1996 subject to provisions of the Factories Act, 1948 and the Rules made thereunder.
- b) Certificate of Importer-Exporter Code (IEC)- 3405004454 by Ministry of Commerce and Industry dated 9<sup>th</sup> January 2006.
- c) Certificate No. IND.20.3058./IM/U issued by South Asia Commodities, Industries and Facilities Division approving that the company is in accordance with the requirements of the management system standards.
- d) Udyog Aadhaar Registration Certificate by Ministry of Micro, Small and Medium Enterprises.
- e) Certificate No. CA032020-20210021137 issued by GUJARAT BOILER INSPECTION DEPARTMENT duly signed by Shri C V Dunganani, to certify that our company is permitted by him under the provisions of Section 7/8 of the Boilers Act, No. V (Amended 2007) of 1923, to work at a maximum pressure of 10.54 kg/cm<sup>2</sup>(g) for the period from 24<sup>th</sup> December, 2020 to 23<sup>rd</sup> December, 2021
- f) Inspection Report ID 61cc044b00ca1149ccb5ea44 dated 18<sup>th</sup> January, 2022 for Inspection of Boiler Type-Package-Smoke Tube showing satisfactory results of inspection.

## **V. Other Approvals**

- a) Bureau veritas Certification (ISO 9001:2015 & ISO 14001: 2015 for manufacturing Unit 1 and Unit 2 having scope Manufacture and Dispatch of intermediaries and chemicals such as Amine Hydrochloride salts and speciality fine chemicals for pharmaceutical industry and Manufacture and Dispatch of intermediaries and chemicals (Amine Hydrochloride Salts) for pharmaceutical industry respectively
- b) Approval Notice No. 20171012-41, dated 12<sup>th</sup> October, 2017 issued by BSE Limited, for Listing of Equity shares of Shree Ganesh Remedies Limited on the SME Platform of the Exchange in order to grant permission to the members of the Exchange to do business in equity shares of the company.
- c) Professional tax certificate No. 2110000695 dated 12<sup>th</sup> December, 2005
- d) TAN certificate granted by the Income Tax Department of the Government of India in order to prove the Active status and provide a TAN No. BRDS13073E to the company.
- e) GST Registration Certificate bearing registration No. 24ABACS1471R1Z0 in the name of our company, 'Shree Ganesh Remedies Limited', granted by an Approving Authority of Government Of India under Centre Goods and Services Tax Act, 2017.
- f) Trademark approval in the name of our company in Class 35, Under No. 4006093 as of the date 15<sup>th</sup> November, 2020 in respect of Advertising, Business Management, Business Administration, Office Functions included in Trademark Class 35.
- g) Trademark approval in the name of our company in Class 35, Under No. 4005810 as of the date 10<sup>th</sup> December, 2021 in respect of Chemical and Pigments Used in Industry, Science, Photography, Agriculture, Horticulture and Forestry; Unprocessed Artificial Resins, Unprocessed Plastics; Manure;

Tempering And Soldering Preparations; Chemical Substances For Preserving Foodstuffs; Tanning Substances; Adhesive Used In Industry included in Trademark Class 1.

- h) Acknowledgement certificate dated 19<sup>th</sup> February, 2007, issued by Joint Commissioner of Industries and General Manager of District Industries Centre, Bharuch, for filing Memorandum of Chemicals 1) Di methyl Amino Propyl Chloride Hydrochloride, 2) Di Methyl Amino Iso Propyl Chloride Hydrochloride, 3) N N Bis (2 Chloro Ethyl) Amine Hydrochloride, 4) Sodium Bromide, 5) Sodium Hydrosulphate, 6) Meta Bromo Anisol, 7) Tetra Butyl Ammonium Bromide, 8) Meta Bromo Di Nitro Benzene (Manufacturing/Service) Enterprise which has been set up in Ankleshwar, Bharuch.
- i) Letter from Employees State Insurance Corporation dated 13<sup>th</sup> October 2010, granting the access to avail online services like registration of employees and employer, online payment of ESI contribution, submission of returns and other ESI related activities.
- j) Letter from Employee's Provident fund Organisation dated 9<sup>th</sup> August, 2007 adding our company under the purview of the Employee's Provident Funds and Miscellaneous Provisions Act, 1952 and the schemes framed thereunder.
- k) Certificate dated 6<sup>th</sup> October, 2007, from Deputy Engineer GIDC Sub-division of DAKSHIN GUJARAT VIJ COMPANY LIMITED stating that our company is having IND Con, bearing Con no. (3Q) 08904/00646/5 and (1Q) 08904/00647/.
- l) Certificate No. 2206414/BHA/2021/01 dated 21<sup>st</sup> December, 2021, by Office of the controller, Legal Metrology, Gujarat State, for verifying the various weights, measures, etc. belonging to Shree Ganesh Remedies Limited.
- m) Calibration Certificate no. HTC/2021/04/5907 issued on 23<sup>rd</sup> April, 2021 by HI-TECH CALIBRATION.
- n) Certification of Registration of Trade Marks dated 23<sup>rd</sup> November, 2018 for registration of the company's name as SHREE GANESH REMEDIES LIMITED in class 35 Under no. 4006093 in respect of Advertising Business Management, Business Administration, Office Functions included in Trademark class 35.
- o) Certificate No. 001/SGRL/147 issued on 1<sup>st</sup> December, 2021 by the director of Industrial Safety & Health of Gujarat State, Ahmedabad displaying the particulars of Form no. 9 (prescribed under rule 58) and the report of Examination of hoists and lift.

**Note :**

1. The Company will establish Unit -5 at Dahej and the company has received consent to establish from GPCB and our Company undertakes to file necessary applications with the relevant authorities for obtaining approvals from Government and Local Authorities as applicable, at the relevant stages.

## **OTHER REGULATORY AND STATUTORY APPROVALS**

### **AUTHORITY FOR THE ISSUE**

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on November 19, 2021 and by Rights Issue Committee at their meeting held on October 15, 2022 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

Our Rights Issue Committee in its meeting held on January 24, 2023 has resolved to issue Equity Shares to the Eligible Equity Shareholders, at ₹ 225 per Equity Share (including a premium of ₹ 215 per Equity Share), in the ratio of 7 Rights Equity Shares for every 100 Equity Share as held on the Record Date. The Issue Price of has been arrived at, in consultation with the Lead Manager, prior to determination of the Record Date.

Our company has received “In-Principal Approval” from BSE vide their letter dated January 19, 2023 in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in this Issue. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE414Y20015 for the Rights Entitlements to be credited to the respective Demat accounts of the Equity Shareholders of our Company. For details, see “*Terms of the Issue*” beginning on page 167.

### **Association of our Directors with securities market**

None of our Directors are associated with the securities market.

### **PROHIBITION BY SEBI**

Our Company, Promoters, member of the Promoter Group, Directors and persons in control of our Company have not been 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 Letter of Offer.

The companies with which our Promoter or our Directors are associated as promoter or directors have not been debarred from accessing the capital market by SEBI

Neither our Promoter nor our Directors have been declared as Fugitive Economic Offenders.

### **ELIGIBILITY FOR THE ISSUE**

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B - 1 of Schedule VI of the SEBI ICDR Regulations.

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges and has received their “In-Principle Approval” for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE Limited is the Designated Stock Exchange for this Issue.

### **Compliance with Clause (2) of Part B of Schedule VI of the SEBI ICDR Regulations**

Our Company is a listed company, incorporated under Companies Act, 2013. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clause 2 of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

### **DISCLAIMER CLAUSE OF SEBI**

This Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is not exceeding ₹ 5,000.00 Lakhs.

### **DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter

of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

#### **CAUTION**

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Our Company, the Lead Manager and its directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares. The Lead Manager and their respective affiliates may engage in transactions with and perform services for our Company or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company or affiliates, for which they have received and may in the future receive, compensation.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Gujarat, India only.

#### **DISCLAIMER CLAUSE OF BSE LIMITED**

The Designated Stock Exchange for the purposes of this Issue is BSE Limited.

BSE Limited (“the Exchange”) has given vide its letter dated January 19, 2023, permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.



## **NO OFFER IN ANY JURISDICTION OUTSIDE INDIA**

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

For more detail, please refer “*Notes to Overseas Investor*” on page 11 of this Letter of Offer.

## **FILING**

For details, please refer Section Titled “*General Information*” on page 39 of this Letter of Offer.

## **LISTING**

The Designated Stock Exchange for the purposes of the Right Issue will be BSE Limited. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

## **CONSENTS**

Consents in writing of our Directors, Company Secretary, Compliance Officer, Chief Financial Officer, Statutory Auditors, Legal Counsels, the Registrar to the Issue, Lead Manager to the Issue and the Bankers to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of 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, M/s Rushik J Patel & Co., Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Letter of Offer and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their Report on Restated Financial Statements dated February 02, 2023 and Report on Statement of Tax Benefits dated February 02, 2023 and issued by them, included in this Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer.

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

## **PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC / RIGHTS ISSUE OF OUR COMPANY**

Our Company has not undertaken any rights issues or further public issues during the 5 years immediately preceding the date of this Letter of Offer. Further, there have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

## **STOCK MARKET DATA OF THE EQUITY SHARES**

Our Equity Shares are listed and traded on BSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled “*Market Price Information*” on page 151 of this Letter of Offer.

## **Investor Grievances and Redressal System**

Our Company has adequate arrangements for the redressal of investor complaints. Redressal norm for response time for all correspondence including shareholders complaints is within 15 (fifteen) days. Additionally, we have been registered with SCORES, as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3,

2011. Letters are filed category wise after being duly attended. A well-arranged correspondence system has been developed for letters of a routine nature.

Our Company has constituted Stakeholders Relationship Committee which currently comprises of Chandulal Kothia, Priyam Shah and Gunjan Kothia.

Our Company provides easy access to information regarding our services and ensure timely disclosures of financial as well as non-financial material information. Grievances are resolved in a timely, efficient and fair manner, and processes are promptly initiated to prevent recurrence.

### **GRIEVANCE REDRESSAL MECHANISM**

The Company has an established mechanism for investor services and grievance handling, with RTA and the Compliance Officer of the Company for this purpose, being important functional nodes.

Some of the key steps undertaken by the Company for handling Investor Grievances are enumerated as follows:

- Bigshare Services Private Limited (RTA) is entrusted with handling all share related matters.
- Investors can lodge a complaint by giving details of their name, folio no., DP ID / Client ID, nature and full particulars of their complaint directly to the company at [investors@ganeshremedies.com](mailto:investors@ganeshremedies.com)
- All the investor complaints/grievance received through SEBI by online “SEBI Complaints Redress System” (SCORES) are checked regularly and replied/resolved expeditiously.
- As required under Regulation 13 of the Listing Regulations, the Company files with the Stock Exchanges and places the statement of investor complaints at the Board meeting on a quarterly basis.

### **Status of outstanding investor complaints**

As on the date of this Letter of Offer, there were no outstanding Investor complaints.

As mentioned, our Company is registered with the SCORES. Consequently, Investor grievances are tracked online by our Company. The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner

### **Investor Grievances arising out of the Issue**

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue. The agreement between the Company and the Registrar to the Issue provides for a period for which records shall be retained by the Registrar to the Issue in order to enable the Registrar to the Issue to redress grievances of Investors.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB in case of ASBA process, giving full details such as Folio No. / Demat Account No., name and address, contact telephone/ cell numbers, email id of the first Applicant, number of Rights Equity Shares applied for, serial number of Application Form, amount blocked (in case of ASBA process), the name of the bank/ SCSB and the branch where the Application Form was deposited, along with a photocopy of the acknowledgement slip (in case of ASBA process). In case of renunciation, the same details of the Renouncee should be furnished. For details on the ASBA, please see the chapter titled “*Terms of the Issue*” on Page 167.

Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice / share certificates / Demat credit / refund orders etc.

### **Registrar to the Issue**

#### **BIGSHARE SERVICES PRIVATE LIMITED**

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri (East), Mumbai, Maharashtra, 400059

Tel. No: 022- 62628200

Fax No 022 - 62638299

**E-mail Id:** [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com)

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

**Contact Person:** Vijay Surana

**Company Secretary and Compliance Officer**

**Sunnykumar Narwani**

Plot no. 6011, G.I.D.C, Ankleshwar , Gujarat, 393002

Tel: +91 02646-227777

Email: [investors@ganeshremedies.com](mailto:investors@ganeshremedies.com)

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

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar ([https:// rightsissue@bigshareonline.com](https://rightsissue@bigshareonline.com)). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties is: 022- 62628200.

## SECTION VII - ISSUE INFORMATION

### TERMS OF THE ISSUE

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.*

*Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. As per the said circular, in case the physical shareholders who have not been able to open a demat account or are unable to communicate their demat details, in terms of clause 1.3.4 of the SEBI – Rights Issue Circular, to the Company or Registrar to the Issue, for credit of REs within specified time.*

*This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.*

#### **I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS**

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- our Company at [www.ganeshremedies.com](http://www.ganeshremedies.com).
- the Registrar to the Issue at [www.bigshareonline.com](http://www.bigshareonline.com)
- the Lead Managers at [www.fedsec.in](http://www.fedsec.in) ;
- the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com);

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the issue at [www.bigshareonline.com](http://www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company at [www.ganeshremedies.com](http://www.ganeshremedies.com).

**Please note that neither our Company nor the Registrar nor the Lead Managers shall be responsible for non- dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e- mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.**

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Equity Shares under the laws of any jurisdiction which apply to such person.

## **II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE**

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see *“Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders”* beginning on page 177 of this Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights

Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “Grounds for Technical Rejection” on pages 154. Our Company, the Lead Managers and the Registrar shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” beginning on page 171.

#### **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i. apply for its Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii. apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- v. renounce its Rights Entitlements in full.

#### **A. Procedure for application through ASBA Facility**

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted 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 Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

### ***Self-Certified Syndicate Banks***

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

### **Do's for Investors applying through ASBA:**

- a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be Allotted in the dematerialized form only.
- c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- d) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- f) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

### **Don'ts for Investors applying through ASBA:**

- a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.



- b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- c) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- d) Do not send your physical Application to the Lead Managers, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- e) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- f) Do not submit Application Form using third party ASBA account

**B. Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Managers. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Shree Ganesh Remedies Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Equity Shares entitled to;
8. Number of Equity Shares applied for within the Rights Entitlements;
9. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Equity Shares applied for;



11. Total amount paid at the issue price of ₹ 225/- per Equity Share (On Application: ₹ 135 per share (including a premium of ₹ 129 per Equity Share); One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time: ₹ 90 per share (including a premium of ₹ 86 per Equity Share);
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. All such Eligible Equity Shareholders are deemed to have accepted the following:

*“I/ We understand that neither the Rights Entitlements nor the Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (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. I/ we understand the Equity Shares referred to in this application are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act (“Regulation S”) to existing shareholders who are non-U.S. Persons and located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions and (ii) within the United States or to U.S. Persons that are “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) (“U.S. QIB”) pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act, that are also “qualified purchasers” (as defined under the United States Investment Company Act of 1940, as amended) (“QPs”) in reliance upon section 3(c)(7) of the U.S. Investment Company Act. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and a non-U.S. Person and eligible to subscribe for the Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

*I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.*

*I/ We understand and agree that the Rights Entitlements and Equity Shares may not be reoffered, resold, pledged or otherwise except in an offshore transaction in accordance with Regulation S to a person outside the United States and not reasonably known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the BSE).*

*I/ We acknowledge that we, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”*

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com)

Our Company, the Lead Managers and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

**C. Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder. For further details, see "*Terms of the Issue – Credit of Rights Entitlement in dematerialized account of Eligible Equity Shareholders*" on page 177.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

*Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:*

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar not later than two Working Days prior to the Issue Closing Date.
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
3. The remaining procedure for Application shall be same as set out in "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" beginning on page 171.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

**PLEASE NOTE THAT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY**

**SHARES IN PHYSICAL FORM AS ON RECORD DATE I.E. FEBRUARY 03, 2023 AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM**

***Application for Additional Equity Shares***

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the applicable Regulations and in the manner as set out in “***Basis of Allotment***” beginning on page 191.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares.** Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

***Additional general instructions for Investors in relation to making of an Application***

- a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.
- b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***” on page 171.
- d) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- e) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Managers.
- f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects. Investors

applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Managers shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

- h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Managers, SCSBs or the Registrar will not be liable for any such rejections.
- k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- l) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- m) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

- o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- r) Do not submit multiple Applications.
- s) No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals.
- t) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

#### **Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.

- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (q) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- (r) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (s) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

#### **Applications by non-resident Shareholders**

- (a) Payment from third party bank accounts.

#### **Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see *“Terms of Issue - Procedure for Applications by Mutual Funds”* on page 165.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in *“Capital Structure - Intention and extent of participation by our Promoter”* on page 43

#### **D. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., [www.bigshareonline.com](http://www.bigshareonline.com) ) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e.; [www.ganeshremedies.com](http://www.ganeshremedies.com)).

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares under dispute, including any court proceedings, as applicable g) non-institutional equity shareholders in the United States.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE414Y20015. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e.; [www.bigshareonline.com](http://www.bigshareonline.com)). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working

Days prior to the Issue Closing Date, i.e., by Tuesday, February 21, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

## **E. Renunciation & Trading of the Rights Entitlements**

### **Renounees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

### **Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer.

### **Procedure for Renunciation of Rights Entitlements**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “On Market Renunciation”); or (b) through an off-market transfer (the “Off Market Renunciation”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

**The Lead Managers and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.**

#### **a. On Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE414Y20015 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for



trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Monday, February 13, 2023 to Wednesday, February 15, 2023(both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE414Y20015 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

#### **b. Off Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE414Y20015, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

***Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.***

#### **BASIS FOR THIS ISSUE**

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date i.e., February 03, 2023.

#### **Terms of Payment**

On Application: ₹ 135 per Rights Equity Share (including premium of ₹ 129 per Equity Share) shall be payable.

And the balance ₹ 90 per Rights Equity Share which constitutes 40% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion, from time to time.

## **Record date for Call and suspension of trading**

Our Company would fix a Call Record Date giving notice, in advance of such period as may be prescribed under applicable law, to the Stock Exchanges for the purpose of determining the list of holders of the Rights Equity Shares to whom the notice for the Call would be sent. Once the Call Record Date has been fixed, trading in the Rights Equity Shares for which the call has been made may be suspended prior to the Call Record Date.

## **Procedure for Call for Rights Equity Shares**

Our Company would convene a meeting of the Board of Directors to pass the required resolutions for making the Call and suitable intimation would be given by our Company to the Stock Exchanges. Further, advertisements for the same will be published in (i) one English national daily newspaper; (ii) one Hindi language national daily newspaper; and (iii) one Gujarati language daily newspaper (Gujarati being the regional language of Gujarat, where our Registered Office is situated), all with wide circulation. The Call shall be deemed to have been made at the time when the resolution authorising such Call is passed at the meeting of our Board. The Call may be revoked or postponed at the discretion of the Board.

Pursuant to the provisions of the Articles of Association, the Investors would be given at least 15 days' notice for the payment of the Call. The Board may, from time to time at its discretion, extend the time fixed for the payments of the Call. Our Company, at its sole discretion and as it may deem fit, may send one or more reminders for the Call, and if it does not receive the Call Monies as per the timelines stipulated unless extended by the Board, the defaulting holders of the Rights Equity Shares will be liable to pay interest as may be fixed by the Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Call made.

## **Payment of Call Money**

In accordance with the SEBI circular SEBI/HO/CFD/DIL1/CIR/238/2020 dated December 8, 2020 regarding additional payment mechanism (i.e. ASBA, etc.) for payment of balance money in call for partly paid specified securities issued by the listed entity, the holders of Rights Equity Shares may make payment of the Call Monies using ASBA Mechanism through the Designated Branch of the SCSB or through online/electronic through the website of the SCSBs (if made available by such SCSB) by authorizing the SCSB to block an amount, equivalent to the amount payable on Call, in the Investor's ASBA Account. The holders of Rights Equity Shares may also use the facility of linked online trading, demat and bank account (3-in-1 type account), if provided by their broker, for making payment of the Call Monies.

## **Separate ISIN for Rights Equity Shares**

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

## **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 7 Rights Equity Shares for every 100 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 100 Equity Shares or is not in the multiple of 100 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 15 Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares

and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

### **Ranking**

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank pari-passu with the existing Equity Shares, in all respects including dividends.

### **Listing and trading of the Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received In-Principle approval from the BSE through letter bearing reference number DCS/RIGHT/KK/FIP/3041/2022-23 dated January 19, 2023. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip code: 540737) under the ISIN: INE414Y01015. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

### **Subscription to this Issue by our Promoters and members of the Promoter**

For details in regards to Subscription to this Issue by our Promoters and members of the Promoter Group please refer to “*Intention and Extent of Participation by the Promoter and Promoter Group – Summary of Letter of Offer*” on page 19 of the Letter of Offer.

### **Rights of Holders of Equity Shares of our Company**

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

- a. The right to receive dividend, if declared;
- b. The right to receive surplus on liquidation;
- c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d. The right to free transferability of Equity Shares;
- e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in the Letter of Offer; and
- f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

## **General Terms of The Issue**

### **Market Lot**

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share. Further, the Rights Equity Shares shall be allotted only in dematerialised form.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

### **Nomination**

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

**Since the Allotment of Rights Equity Shares shall be in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with the respective Depository Participants (“DPs”) of the Eligible Equity Shareholders (Investors) would prevail. Any Eligible Equity Shareholders (Investor) holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its respective Depository Participant.**

### **Arrangements for Disposal of Odd Lots**

The Rights Equity Shares will be traded in dematerialised form only and therefore the marketable lot is one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

### **Notices**

In accordance with the SEBI ICDR Regulations and the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. However, the Letter of offer Abridged Letter of

Offer, Application Form and other applicable Issue materials will be made available on the websites of the Company, registrar to the issue, stock exchanges and the lead manager to the issue. Further, best efforts will be made to reach out the Eligible Equity Shareholders who have not registered their e-mail id with our Company including but not limited to sending SMS or audio-visual advertisement on television or digital advertisement, etc.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Gujarati language daily newspaper with wide circulation (Gujarati being the regional language of Gujarat, where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

### **Offer to Non-Resident Eligible Equity Shareholders/Investors**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Rights Equity Shares to non-resident Equity Shareholders including additional Rights Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com). It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Managers and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the email address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Managers and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

Please note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at the office of the registrar to the issue at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai, Maharashtra, 400059 or e-mail at [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com).

## ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

**PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 190.**

### ISSUE SCHEDULE

<b>Issue Opening Date</b>	Monday, February 13, 2023
<b>Last date for on-market renunciation of rights / Date of closure of trading of Rights Entitlement<sup>#</sup></b>	Wednesday, February 15, 2023
<b>Issue Closing Date*</b>	Tuesday, February 21, 2023
<b>Finalising the basis of allotment with the Designated Stock Exchange (on or about)</b>	Tuesday, 28 February, 2023
<b>Date of Allotment (on or about)</b>	Wednesday, March 01, 2023
<b>Date of credit (on or about)</b>	Friday, March 03, 2023
<b>Date of trading (on or about)</b>	Wednesday, March 08, 2023

*# Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

*\*Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., Tuesday, February 21, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Tuesday, February 21, 2023. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

### PROCEDURE FOR APPLICATION

#### How to Apply

**In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process instituted only for resident Investors in this Issue. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. Friday, February 03, 2023, see “**Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form**” on page 173.

#### Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email-to-email address if they have provided an Indian address to our Company or who are

located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdiction.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current Covid-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Issue Materials and the Application Form. However, the Letter of offer Abridged Letter of Offer, Application Form and other applicable Issue materials will be made available on the websites of the Company, registrar to the issue, stock exchanges and the lead manager to the issue. Further, best efforts will be made to reach out the Eligible Equity Shareholders who have not registered their e-mail id with our Company including but not limited to sending SMS or audio-visual advertisement on television or digital advertisement, etc.

**Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.**

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar ([www.bigshareonline.com](http://www.bigshareonline.com)) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company ([www.ganeshremedies.com](http://www.ganeshremedies.com)).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date i.e. February 03, 2023 and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB

**Please note that Applications without depository account details shall be treated as incomplete and shall be rejected, except in case of Eligible Equity Shareholders who hold Equity Shares in physical form.**

**Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “Grounds for Technical Rejection” on page 154 of this Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders



making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see *“Application on Plain Paper under ASBA process”* on page 171 of this Letter of Offer.

### **Applications by Overseas Corporate Bodies**

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

### **Investment / Procedure for applications 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 and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. 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 or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, 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 RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. 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 may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- a. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- b. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.



No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

### **Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)**

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 – IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

### **Investment by AIFs, FVCIs, VCFs and FDI Route**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals.

### **Applications by mutual funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the Board and that such applications shall not be treated as multiple applications. The application made by an asset management company or by custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which the application is being made.

### **Procedure for Applications by non-resident Indians (NRIs)**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where 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 of India. It is not clear from the press note whether or not an issue of the Rights Equity

Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

### **Payment by stock invest**

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

### **Last Date for Application**

The last date for submission of the duly filled in Application Form is the Issue Closing Date i.e., Tuesday, February 21, 2023. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date i.e. Monday, February 13, 2023

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under the section, "**Basis of Allotment**" on page 191 of this Letter of Offer

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

### **Withdrawal of Application**

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period (before Issue Closing) by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

### **Disposal of Application and Application Money**

**No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.**

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

### **Modes of Payment**

All payments against the Application Forms shall be made only through ASBA facility

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date subject to necessary confirmation from the regulatory authority and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

*For Resident Investors*

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

*For Non-Resident Investors*

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company or the Lead Manager.

*Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard. Non-Resident Investors shall send their Right Entitlement credit request with ID proof to the Registrar to the Issue at [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com)*

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form

**PLEASE NOTE THAT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE I.E. FRIDAY, FEBRUARY 03, 2023 AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY**

## **SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see *“Disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner”* on page 169.

### **Basis of Allotment**

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be ‘unsubscribed’.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches or Controlling branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

## **Allotment Advices/Refund Orders/Unblocking of ASBA Accounts**

Our Company will send/ dispatch Allotment advice, refund instructions/intimations (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Allotment. In case of failure to do so, our Company and “our Directors” who are officers in default shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days’ period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 4 days of the Issue Closing Date i.e. February 21, 2023.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor’s address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked ‘Account Payee only’ and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

## **Separate ISIN for Rights Equity Shares**

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

## **Payment of Refund**

### ***Mode of making refunds***

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. Unblocking amounts blocked using ASBA facility.
2. **National Automated Clearing House (“NACH”)** – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the

depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.

3. **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. **Direct Credit** - Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.
5. **RTGS** – If the refund amount exceeds ₹ 200,000 Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
6. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

#### ***Refund payment to Non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

#### ***Printing of Bank Particulars on Refund Orders***

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor’s bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

#### ***Allotment advice or Demat Credit***

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

#### **Receipt of the Equity Shares in Dematerialized Form**

**PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH**

**HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.**

Investors shall be Allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and an agreement with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

**INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.**

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in "***Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form***" and "***Disposal of Rights Equity Share for non-receipt of demat account details in a timely manner***" on pages 173 and 169, respectively

## **Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- i. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- ii. 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*
- iii. 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 Lakhs or 1% 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 ten (10) years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three (3) times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 Lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 Lakhs or with both.

## **Minimum subscription**

As the object of the Issue does not involve financing of capital expenditure, and as our Promoter and Promoter Group, through their letter dated October 15, 2022 has confirmed their intention to subscribe to the full extent of their aggregate Rights Entitlements in the Issue and not to renounce their Rights Entitlements except to the extent of renunciation within the Promoter and Promoter Group. Accordingly, the minimum subscription criteria mentioned under the SEBI ICDR Regulations will not be applicable to the Issue.

However, the Promoter and members of Promoter group have given their intention to subscribe to additional Rights Equity Shares, over and above their Rights Entitlements (including the unsubscribed portion in the Issue, if any) jointly or severally, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations in order to achieve the minimum subscription of 90% of the Issue in accordance with Regulation 86 of the SEBI ICDR Regulations.

## **Utilization of Issue Proceeds**

Our Board of Directors members declares that:

- A. All monies received out of issue of shares or specified securities to the public shall be transferred to a separate bank account.
- B. Details of all monies utilised out of the issue referred to in clause (A) shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilised;
- C. Details of all unutilised monies out of this issue referred to in clause (A) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested; and
- D. Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

## **Undertaking**

Our Company undertakes the following:



- i. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- ii. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- iii. The funds required for making refunds/unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- iv. that no further issue of securities shall be made till the securities offered through the offer document are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 56;
- v. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- vi. In case of refund/unblocking of the application money/amount for unsuccessful applicants or part of the application money / amount in case of proportionate allotment, a suitable communication shall be sent to the applicants.
- vii. Adequate arrangements shall be made to collect all ASBA Applications.
- viii. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- ix. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

#### **Investor Grievances, Communication & Important Links**

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “Shree Ganesh Remedies Limited – Rights Issue” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

#### **BIGSHARE SERVICES PRIVATE LIMITED**

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri (East), Mumbai, Maharashtra, 400059

Tel. No: 022- 62628200

Fax No 022 - 62638299

E-mail Id: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Vijay Surana

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.bigshareonline.com). Further, helpline number provided by the

Registrar for guidance on the Application process and resolution of difficulties is 022- 62628200.

The Investors can visit [www.bigshareonline.com](http://www.bigshareonline.com) or [www.ganeshremedies.com](http://www.ganeshremedies.com) links for the below-mentioned purposes:

- a. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors;
- b. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company;
- c. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form;
- d. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders.

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

## 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, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, 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. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Circular 2020”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

366

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue.

The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors 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.

**SECTION VIII – OTHER INFORMATION**  
**STATUTORY INFORMATION**

Please note that the Rights Equity Shares applied for under this Issue will be allotted only in dematerialized form and will be credited to (a) the same depository account / corresponding PAN in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least 2 working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date. For details, see “*Terms of the Issue*” on page 167.

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered 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 Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the registered office of the Company between 10 a.m. and 5 p.m. on all working days from the date of the Letter of Offer until the Issue Closing Date and Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to [investors@ganeshremedies.com](mailto:investors@ganeshremedies.com).

### A) Material contracts for the Issue

1. Issue Agreement dated January 18, 2022 between our Company and the Lead Manager.
2. Registrar Agreement dated January 25, 2022 between our Company and Registrar to the Issue.
3. Bankers to the Issue Agreement dated January 18, 2022 amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.

### B) Material documents for the Issue

4. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
5. Resolutions of the Board of Directors dated November 19, 2021 and Rights issue Committee dated October 15, 2022 in relation to the Issue and other related matters.
6. Resolution passed by our Board of Directors dated January 24, 2023 finalizing the terms of the Issue including Record Date and the Rights Entitlement ratio.
7. The Restated Financial Statements for year ended March 31, 2022, March 31, 2021 and March 31, 2020 and the Limited review Standalone Financial Results for period ended December 31, 2022.
8. Consents of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Bankers to our Company, and Banker to the Issue to include their names in this Letter of Offer and to act in their respective capacities.
9. The Report dated February 02, 2023 from the Statutory Auditors of our Company, confirming the Statement of Special Tax Benefits available to our Company and its Shareholders as disclosed in this Letter of Offer.
10. Prospectus dated August 25, 2017 of the Initial Public Offer.
11. Annual Reports of our Company for FY22, FY21, FY20, FY19 and FY18.
12. In-principle listing approvals dated January 19, 2023 issued by BSE under Regulation 28(1) of the SEBI Listing Regulations.
13. Tripartite agreement amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue
14. Tripartite agreement amongst our Company, National Securities Depository Limited and Registrar to the Issue.

Any of the contracts or documents mentioned in this Letter of Offer 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 Eligible Equity Shareholders, subject to compliance with applicable law.

## DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

<b>CHANDULAL MANUBHAI KOTHIA</b> Chairman and Managing Director DIN: 00652806	<b>GUNJAN CHANDULAL KOTHIA</b> Whole-Time Director DIN: 07408125
<b>PARTH CHANDULAL KOTHIA</b> Whole-Time Director DIN: 08830608	<b>JAYESH KISHANLAL SAVJANI</b> Independent Director DIN: 07740486
<b>PRIYAM SURENDRA SHAH</b> Independent Director DIN: 06858411	<b>VAISHALIBEN KANJIBHAI VADODARIYA</b> Independent Director DIN: 08061214
<b>PARTH CHANDULAL KOTHIA</b> Chief Financial Officer	
Place: Ankleshwar Date: February 06, 2023	