

DIPNA PHARMACHEM LIMITED

CIN: L24100GJ2011PLC066400

Regd. Office: A/211, Siddhi Vinayak Complex, Near D.A.V. School,
Makarba, Ahmedabad – 380 055

E-mail: धारारुकेडु99@डुडुडु.डु

Date: 5th August, 2024

To,
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai – 400 001

Dear Sir / Madam,

Sub: Submission of Annual Report for Financial Year 2023-24
Ref: Security Id: DPL / Code: 543594

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the 13th Annual General Meeting (“AGM”) of the Company to be held on Tuesday, 27th August, 2024 at 4:00 P.M. through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”).

Kindly take the same on your record and oblige us.

Thanking You.

For, Dipna Pharmachem Limited

Keyur Shah
Managing Director
DIN: 03167258

DIPNA PHARMACHEM LIMITED

13TH ANNUAL REPORT

2023-24

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COMPANY INFORMATION:

| | |
|--|---|
| Board of Directors | Mr. Keyur Dipakkumar Shah : Managing Director Ms. Dipna Keyur Shah : Non-Executive Director Mr. Nandish Shaileshbhai Jani : Independent Director Mr. Jitendra Pradipbhai Parmar : Independent Director |
| Audit Committee | Mr. Nandish Shaileshbhai Jani : Chairperson Mr. Jitendra Pradipbhai Parmar : Member Ms. Dipna Keyur Shah : Member |
| Nomination and Remuneration Committee | Ms. Nandish Shaileshbhai Jani : Chairperson Mr. Dipna Keyur Shah : Member Mr. Jitendra Pradipbhai Parmar : Member |
| Stakeholders' Relationship Committee | Mr. Nandish Shaileshbhai Jani : Chairperson Mr. Jitendra Pradipbhai Parmar : Member Ms. Dipna Keyur Shah : Member |
| Key Managerial Personnel | Mr. Keyur Dipakkumar Shah : Managing Director Mr. Keyur Nitinbhai Parmar : Chief Financial Officer Ms. Madhuri Gurwani : Company Secretary |
| Statutory Auditor | M/s. Devadiya & Associates, Chartered Accountants, Ahmedabad |
| Secretarial Auditor | M/s. Kinkhabwala & Associates, Company Secretaries, Ahmedabad |
| Share Transfer Agent | M/s Bigshare Services Private Limited, Office No. S6-2, 6 th Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre. Andheri (East), Mumbai, Maharashtra - 400 093 |
| Registered Office | A/211, Siddhi Vinayak Complex, Near D.A.V. School, Makarba, Ahmedabad - 380 055 |

NOTICE OF THE 13TH ANNUAL GENERAL MEETING

Notice is hereby given that the 13th Annual General Meeting (“AGM”) for the Financial Year 2023-24 of the Shareholders of “**Dipna Pharmachem Limited**” (“Company” or “DPL”) will be held on Tuesday, 27th August, 2024 at 04:00 P.M. (IST) through Video Conferencing (“VC”) / Other Audio-Video Means (“OAVM”) to transact the following businesses.

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended on 31st March, 2024 together with and Statement of Profit and Loss along with the notes forming part thereof along with the Cash Flow Statement for the financial year ended on that date, and the Reports of the Board of Directors (“The Board”) and the Auditors thereon.**
- 2 To appoint a Director in place of Ms. Dipna Keyur Shah (DIN: 02507462), who retires by rotation and being eligible, offers herself for re-appointment:**

To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**.

“**RESOLVED THAT**, Ms. Dipna Keyur Shah (DIN: 02507462), who retires by rotation from the Board of Directors, pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association (“AOA”) of the Company and being eligible, offers herself for re-appointment, be and is hereby re-appointed as the Director of the Company.”

SPECIAL BUSINESS:

- 3 Approval of Sub-division / Split of Equity shares of the Company:**

To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT**, pursuant to the provisions of Section 61(1)(d) and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with relevant rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and read with applicable provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable laws, rules and regulations for the time being in force, if any, prescribed by any relevant authorities from time to time, to the extent applicable, in accordance with the provisions of the Memorandum of Association (“MOA”) and Articles of Association (“AOA”) of the Company and subject to such other approvals, permissions and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals and on recommendation of the Board of Directors of the Company (hereinafter referred to as “the Board”, which expression shall include any Committee of the Board of Directors), approval of the Members of the Company be and is hereby accorded for sub-division / split of each existing 1 (One) Equity share of the Company having face value of Rs. 10/- (Rupees Ten Only) each into new 10 (Ten) Equity share having face value of Re. 1/- (Rupee One Only) each, which shall rank pari-passu in all respect with the existing equity shares of the Company with effect from the Record Date.”

“**RESOLVED FURTHER THAT**, the Record date for the Sub-division / Split of existing equity shares shall be decided by the Board post approval of the shareholders and will be intimated to the Stock Exchange in due course.

“**RESOLVED FURTHER THAT**, pursuant to the sub-division / split of existing equity shares of the Company, all the equity shares of face value of Rs. 10/- (Rupees Ten Only) each to face value of Re. 1/- (Rupee One Only) each, the existing Authorised and Paid-up Equity Share Capital of the Company as on record date as may be decided by the Board (which shall include any Committee thereof) shall stand sub-divided as given below:

| Particulars | Pre-sub division of Equity Shares | | | Post-sub division of Equity Shares | | |
|--|-----------------------------------|---------------------|------------------------------|------------------------------------|---------------------|------------------------------|
| | No. of shares | Face Value (in Rs.) | Total Share Capital (in Rs.) | No. of shares | Face Value (in Re.) | Total Share Capital (in Rs.) |
| Authorised Share Capital | 2,50,00,000 | 10/- | 25,00,00,000/- | 25,00,00,000 | 1/- | 25,00,00,000/- |
| Issued, Subscribed and Paid-up share capital | 2,40,45,250 | 10/- | 24,04,52,500/- | 24,04,52,500 | 1/- | 24,04,52,500/- |

“RESOLVED FURTHER THAT, pursuant to the sub-division / split of face value of Equity Shares as mentioned above the existing share certificate(s) in relation to the existing issued Equity Shares having face value of Rs. 10/- (Rupees Ten Only) each held in the physical form shall be deemed to have been automatically cancelled with effect from the record date to be fixed by the Board, and the board be and is hereby authorised without requiring to surrender the existing issued share certificate(s) by the Members to issue new share certificate in lieu of the existing share certificate(s) with regard to the sub-divided shares and in case of Equity shares held in the dematerialized form, the number of sub-divided Equity shares be credited to the respective beneficiary accounts of the Members with the Depository Participants, in lieu of existing credits in their beneficiary accounts representing the Equity shares of the Company before sub-division.”

“RESOLVED FURTHER THAT, the Board of Directors and / or Company Secretary of the Company be and are hereby authorised to take all such steps as may be required to obtain approvals in relation to above and do all such further acts, deeds or things as may be required to give effect to the sub-division of Equity shares of the Company.”

“RESOLVED FURTHER THAT, the Board of Directors of the Company and / or Company Secretary be and are hereby severally authorised to (a) delegate execution and filing of necessary applications, declarations and other documents with Stock Exchanges, Depositories, Depository Participants, Registrar & Transfer Agent and / or any other statutory authority(ies), if any; (b) cancel the existing physical share certificates; (c) settle any question or difficulty that may arise with regard to the sub-division of the shares as aforesaid or for any matter connected herewith or incidental thereto and (d) do all such acts, deeds, things, including all the matters incidental thereto in order to implement the foregoing resolution.”

4 Approval of alteration in Clause V i.e. Capital clause of the Memorandum of Association of the Company:

To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT, pursuant to the provisions of Section 13, 61, 64 and other applicable provisions of the Companies Act, 2013, if any, read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and upon sub-division / split of Equity Shares, consent of the Members of the Company be and is hereby accorded to alter the Authorised Share Capital of the Company from the existing Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only) divided into 25,00,00,000 (Twenty-Five Crores) Equity shares of Re. 1/- (Rupee One Only) each ranking pari passu in all respect with the Existing Equity shares of the Company.”

“RESOLVED FURTHER THAT, pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, the existing Clause V of Memorandum of Association (“MOA”) of the Company be and is hereby substituted by the following new clause:

V. The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only) divided into 25,00,00,000 (Twenty-Five Crores) Equity Shares of Re. 1/- (Rupee One Only) each.

“RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board of the Directors (hereinafter referred to as “Board” which term shall include a Committee thereof authorised for the purpose) and / or Company Secretary of the Company be and are hereby authorised to take all such necessary steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

5 Increase in Authorised Share Capital and Alteration of the Capital clause in Memorandum of Association of the Company:

To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT, pursuant to the provisions of Section 13, 61 read with Section 64, Rule 15 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed thereunder, consent of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from the existing Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only) divided into 25,00,00,000 (Twenty-Five Crores) Equity Shares of Re. 1/- (Rupee One Only) each (*considering the effect of sub-division of shares*) to Rs. 92,00,00,000/- (Rupees Ninety-Two Crores Only) divided into 92,00,00,000 (Ninety-Two Crores) Equity Shares of Re. 1/- (Rupee One Only) each ranking pari passu in all respect with the Existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT, the Memorandum of Association (“MOA”) of the Company be altered in the following manner i.e. existing Clause V of the Memorandum of Association be deleted and the same be substituted with the following new clause as Clause V:

V. The Authorised Share Capital of the Company is Rs. 92,00,00,000/- (Rupees Ninety-Two Crores Only) divided into 92,00,00,000 (Ninety-Two Crores) Equity Shares of Re. 1/- (Rupee One Only) each.”

“RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board of the Directors of the Company (hereinafter referred to as “Board” which term shall include a Committee thereof authorised for the purpose) be and is hereby authorised to take all such necessary steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

6 Offer, issue and allot Equity shares on Preferential Basis for consideration other than cash:

To consider and if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

“RESOLVED THAT, pursuant to the provisions of Section(s) 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended (**the “Act”**), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**“ICDR Regulations” or “SEBI ICDR Regulations”**) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the “SEBI Listing Regulations”**), as amended from time to time, the listing agreements entered into by the Company with the BSE Limited (**“BSE”**)(**the Stock Exchange**) on which the Equity Shares of the Company having Face Value of Re. 1/- (Rupee One Only) (*considering the effect of sub-division of shares*) are listed, and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs (**“MCA”**), the Securities and Exchange Board of India (**“SEBI”**) and/or any other competent authorities (hereinafter referred to as **“Applicable Regulatory Authorities”**) from time to time to the extent applicable and the enabling provisions of the Memorandum of Association (**“MOA”**) and Articles of Association (**“AOA”**) of the Company, and subject to such approvals, consents, permissions and sanctions as may be necessary or required and subject to such conditions as may be imposed or prescribed while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”** which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent and approval of the Members of the Company (**“Shareholders”**) be and is hereby accorded to the Board to create, issue, offer and allot at an appropriate time, in one or more tranches, up to 30,50,10,445 (Thirty Crores Fifty Lakhs Ten Thousand Four Hundred Forty Five) fully paid up Equity Shares of the Company having a Face Value of Re. 1/- (Rupee One Only) (*considering the effect of sub-division of shares*) each at a price of Re. 1.60/- (Rupee One and Sixty Paise Only) per Equity Share (including a premium of Re. 0.60/- {Sixty Paise Only}) (**“Preferential Allotment Price”**), **aggregating to not exceeding Rs. 48,80,16,712/- (Rupees Forty Eight Crores Eighty Lakhs Sixteen Thousand Seven Hundred Twelve Only)** (amounts round off nearby zero), which is not less than the price determined in accordance

with Chapter V of the SEBI ICDR Regulations (hereinafter referred to as the “Floor Price”), to the Proposed Allottee(s), who is not a “Promoter” and who does not belong to the “Promoter Group” of the Company, for consideration other than cash (i.e. swap of shares of Proposed Allottee towards payment of total consideration payable to the trade payables of Rs. 48,80,16,712/- (Rupees Forty-Eight Crores Eighty Lakhs Sixteen Thousand Seven Hundred Twelve Only) (amounts round off nearby zero) as listed in the table below, on a preferential issue basis (“**Preferential Allotment**”) on such terms and conditions as may be determined by the Board in accordance with the SEBI ICDR Regulations and other applicable laws.”

| Sr. No. | Name of the Proposed Allottee | Details of the Proposed Allottee | No. of Equity Shares proposed to be issued |
|---------|---|---|---|
| 1. | Nim Chemicals | Proprietorship Category: Non-Promoter (Public Shareholder) | 5,82,26,245 (Five Crores Eighty-Two Lakhs Twenty-Six Thousand Two Hundred Forty-Five) Equity Shares of face value of Re. 1/- each at a price of Re. 1.60/- (Rupee One and Sixty Paise Only) |
| 2. | Nextgen Pharmachem | Proprietorship Category: Non-Promoter (Public Shareholder) | 3,18,43,125 (Three Crores Eighteen Lakhs Forty-Three Thousand One Hundred Twenty-Five) Equity Shares of face value of Re. 1/- each at a price of Re. 1.60/- (Rupee One and Sixty Paise Only) |
| 3. | Falguni Enterprise | Proprietorship Category: Non-Promoter (Public Shareholder) | 4,52,67,175 (Four Crores Fifty-Two Lakhs Sixty-Seven Thousand One Hundred Seventy-Five) Equity Shares of face value of Re. 1/- each at a price of Re. 1.60/- (Rupee One and Sixty Paise Only) |
| 4. | Adinath Pharma Chem | Proprietorship Category: Non-Promoter (Public Shareholder) | 3,07,19,250 (Three Crores Seven Lakhs Nineteen Thousand Two Hundred Fifty) Equity Shares of face value of Re. 1/- each at a price of Re. 1.60/- (Rupee One and Sixty Paise Only) |
| 5. | Arison Alkalies and Chemicals Private Limited | Company incorporated in India Category: Non-Promoter (Public Shareholder) | 5,18,23,125 (Five Crores Eighteen Lakhs Twenty-Three Thousand One Hundred Twenty-Five) Equity Shares of face value of Re. 1/- each at a price of Re. 1.60/- (Rupee One and Sixty Paise Only) |
| 6. | MKS Alkalies and Chemicals Private Limited | Company incorporated in India Category: Non-Promoter (Public Shareholder) | 4,98,25,125 (Four Crores Ninety-Eight Lakhs Twenty-Five Thousand One Hundred Twenty-Five) Equity Shares of face value of Re. 1/- each at a price of Re. 1.60/- (Rupee One and Sixty Paise Only) |
| 7. | Aryan Enterprise | Proprietorship Category: Non-Promoter (Public Shareholder) | 3,73,06,400 (Three Crores Seventy-Three Lakhs Six Thousand Four Hundred) Equity Shares of face value of Re. 1/- each at a price of Re. 1.60/- (Rupee One and Sixty Paise Only) |

“**RESOLVED FURTHER THAT**, in terms of the provisions of Chapter V of the SEBI ICDR Regulations, the Relevant Date for determining the floor price for the Preferential Issue of the Equity Shares is **Friday, 26th July, 2024** i.e., the date 30 days prior to the date of the Annual General Meeting (“**Relevant Date**”) on which this special resolution is proposed to be passed.”

“**RESOLVED FURTHER THAT**, the minimum price of the equity shares so issued shall not be less than the price arrived at in accordance with Chapter V of the SEBI ICDR Regulations. The equity shares of the company have been frequently traded as on the relevant date and considering that the allotment to the proposed allottees are exceeding five percent of the post issue fully diluted share capital of the issuer. However, the company has obtained valuation report dated July 31, 2024 issued by Corporate Professionals Valuation Services Private Limited, Registered Valuer Entity, Ahmedabad (IBBI Registration No. IBBI/RV-E/02/2019/106 and the price of the equity shares has been determined taking into account the valuation report of the registered valuer Entity.

(The valuation report is available for inspection at the Registered Office of the company during the business hours on any working days and the same can also access at Company’s website i.e. <https://dipnapharmachem.com/>).

“**RESOLVED FURTHER THAT**, without prejudice to the generality of the above resolution, the issue of the Equity Shares under the Preferential Allotment shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

- a. The Equity Shares to be issued and allotted pursuant to the Preferential Issue shall be listed and traded on the Stock Exchanges subject to receipt of necessary regulatory permissions and approvals as the case maybe.
- b. The Equity Shares allotted shall be subject to lock-in for such period as specified in the provisions of Chapter V of the SEBI ICDR Regulations.

However, in addition to the lock-in period prescribed under ICDR Regulations, the said Equity Shares shall along with any further issuance of shares such as Bonus Shares, which may arise in future, shall be locked in for a further period as may be mutually agreed upon by the Company and the Proposed Allottee.

- c. The Equity Shares to be issued and allotted shall be fully paid up and rank pari-passu with the existing Equity Shares of the Company in all respects from the date of allotment thereof, be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association ("MOA") and Articles of Association ("AOA") of the Company.
- d. The Equity Shares shall be allotted in dematerialized form within a period of 15 days from the date of passing of the special resolution by the Members, provided that where the allotment of Equity Shares is subject to receipt of any approval or permission from any regulatory authority or Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.
- e. The Equity Shares so offered and issued to the Proposed Allottee, are being issued for consideration other than cash, being the amount standing as the trade payables as per MOU and the allotment of such Shares will constitute the full consideration to be paid for the allotment of equity shares to the Proposed Allottee pursuant to this resolution;
- f. The Equity Shares so offered, issued and allotted shall not exceed the number of Equity Shares as approved herein above.

Without prejudice to the generality of the above, the issue of the Equity Shares shall be subject to the terms and conditions as contained in the explanatory statement under Section 102 of the Act annexed hereto, which shall be deemed to form part hereof."

"RESOLVED FURTHER THAT, the Board be and is hereby authorized to accept any modification(s) in the terms of issue of Equity Shares, subject to the provisions of the Act and the SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members."

"RESOLVED FURTHER THAT, any rights or Bonus shares or any entitlements which may arise pursuant to the said allotted shares shall have same effect including lock in period, as that of the Equity Shares issued pursuant to the said preferential issue."

"RESOLVED FURTHER THAT, subject to the receipt of such approvals as may be required under applicable law consent of the Members of the Company be and is hereby accorded to record the name and details of the Proposed Allottee in Form PAS-5, and issue a private placement offer cum application letter in Form PAS-4, to the Proposed Allottee in accordance with the provisions of the Act, after passing of this resolution with a stipulation that the allotment would be made only upon receipt of In-principle approval from the Stock Exchange i.e. BSE Limited ("BSE") within the timelines prescribed under the applicable laws."

"RESOLVED FURTHER THAT, the Company hereby takes note of the certificate from the Practicing Company Secretary certifying that the above issue of the Equity Shares is being made in accordance with the ICDR Regulations."

"RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, any Member of the Board or any committee thereof or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarifications, resolving all questions of doubt effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute

discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares and listing thereof with the Stock Exchanges as appropriate and utilization of proceeds of the issue, filing of requisite documents with the Registrar of Companies, Depositories and/ or such other authorities as may be necessary and take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.”

“**RESOLVED FURTHER THAT**, any Member of the Board and/ or Company Secretary of the Company be and are hereby authorized to delegate all or any of the powers herein conferred, as it may deem fit in its absolute direction, to any Committee of the Board or any one or more Director(s) or any Officer(s) of the Company including making necessary filings with the Stock Exchanges and Regulatory Authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint Consultants, Professional Advisors and Legal Advisors to give effect to the aforesaid resolution.”

“**RESOLVED FURTHER THAT**, all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

7. Issue of Warrants, convertible into Equity shares to person(s) and/or entity(ies) belonging to ‘Promoter & Promoter group’ category and ‘Non-promoter’ category on a preferential basis:

To consider and if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

“**RESOLVED THAT**, pursuant to the provisions of Sections 23(1)(b), 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended (**the “Act”**), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment (s) thereof for the time being in force) and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (**“ICDR Regulations” or “SEBI ICDR Regulations”**); and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the “SEBI Listing Regulations”**), as amended from time to time, the listing agreements entered into by the Company with BSE Limited (**“BSE”**) (**the “Stock Exchanges”**) on which the Equity Shares of the Company having face value of Re. 1.00/- (Rupee One Only) each (**considering the effect of sub-division of shares**) (**“Equity Shares”**) are listed, and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs (**“MCA”**), the Securities and Exchange Board of India (**“SEBI”**) and/ or any other competent authorities (hereinafter referred to as **“Applicable Regulatory Authorities”**) from time to time to the extent applicable and the enabling provisions of the Memorandum of Association (**“MOA”**) and Articles of Association (**“AOA”**) of the Company, and subject to such approvals, consents, permissions and sanctions as may be necessary or required and subject to such conditions as may be imposed or prescribed while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”** which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent and approval of the Shareholders of the Company (**“Shareholders”**) be and is hereby accorded to the Board to create, issue, offer and allot at an appropriate time, in one or more tranches, up to 11,25,00,000 (Eleven Crores Twenty Five Lakhs) Convertible Warrants (**“Warrants”**) of Re. 1.00/- each fully paid up in cash (**considering the effect of sub-division of shares**), entitling the Proposed Allottees/ Warrant Holders to exercise option to convert and get allotted one Equity Share of face value of Re. 1.00/- (Rupee One Only) (**considering the effect of sub-division of shares**) each fully paid-up against each warrant, within 18 (Eighteen) months from the date of allotment of warrants, in such manner and on such terms and conditions as set out in the Explanatory Statement annexed to the notice at a price of Re. 1.60/- (Rupees One and Sixty Paise Only) per Equity Share (including premium of Re. 0.60/- each {Sixty Paise Only}) (hereinafter referred to as the **“Warrant Issue Price”**), **aggregating to not exceeding Rs. 18,00,00,000/- (Rupees Eighteen Crores Only)** (amounts round off nearby zero), which is not less than the price determined in accordance with Chapter V of the SEBI ICDR Regulations (hereinafter referred to as the **“Floor Price”**) and the valuation report received from Registered Valuer Entity, to the Proposed Allottees, who belong to the **“Promoter & Promoter group”** category and **“Non-Promoter”** category, for consideration in cash, on a preferential issue basis (**“Preferential Allotment”**) on such terms and conditions as may be determined by the Board in accordance with the SEBI ICDR Regulations and other applicable laws:

| Sr. No. | Name of the Proposed Allottees | Category | No. of Convertible Warrants proposed to be issued |
|--------------|--------------------------------|--------------|---|
| 1. | Dipna Keyur Shah | Promoter | 2,50,00,000 |
| 2. | Saumil Ashokbhai Shah | Non-Promoter | 1,25,00,000 |
| 3. | Saurabh Kamaleshbhai Shah | Non-Promoter | 1,87,50,000 |
| 4. | Manan Vinodkumar Mody | Non-Promoter | 1,25,00,000 |
| 5. | Jain Punit Shantilal | Non-Promoter | 1,25,00,000 |
| 6. | Jitendra Kapilrai Joshi | Non-Promoter | 1,25,00,000 |
| 7. | Hardik Dilipkumar Mehta | Non-Promoter | 93,75,000 |
| 8. | Jalpa Chiragkumar Jani | Non-Promoter | 93,75,000 |
| Total | | | 11,25,00,000 |

“RESOLVED FURTHER THAT, in terms of the provisions of Chapter V of the SEBI ICDR Regulations, the Relevant Date for determining the price for the Preferential Issue of Convertible Warrants is **Friday, 26th July, 2024** i.e., the date 30 days prior to the date of the Annual General Meeting (**“Relevant Date”**) on which this special resolution is proposed to be passed.”

“RESOLVED FURTHER THAT, the minimum price of the equity shares so issued shall not be less than the price arrived at in accordance with Chapter V of the SEBI ICDR Regulations. The equity shares of the company have been frequently traded as on the relevant date and considering that the allotment to the proposed allottees are exceeding five percent of the post issue fully diluted share capital of the issuer. However, the company has obtained valuation report dated July 31, 2024 issued by issued by Corporate Professionals Valuation Services Private Limited, Registered Valuer Entity, Ahmedabad (IBBI Registration No. IBBI/RV-E/02/2019/106, Registered Valuer and the price of the equity shares has been determined taking into account the valuation report of the registered valuer Entity.

(The valuation report is available for inspection at the Registered Office of the company during the business hours on any working days and the same can also access at Company’s website i.e. <https://dipnapharmachem.com/>).

“RESOLVED FURTHER THAT, without prejudice to the generality of the above resolution, the issue of Warrants to the Proposed Allottees and the Equity Shares resulting from the exercise of the entitlement of the said warrants, shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

- a. Amount payable on Allotment of Warrants shall be 25% of the issue price per warrant and the balance amount i.e. 75% of issue price per warrant, shall be paid at the time of allotment of the Equity shares pursuant to exercise of option to convert the Warrants into Equity Shares;
- b. The said Warrant(s) shall be issued and allotted to the Proposed Allottees within a period of 15 days from the date of passing of this resolution, in dematerialized form provided that in case the allotment of the said Warrants is pending on account of pendency of any approval or permission by any regulatory authority or the Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last such approval or permissions;
- c. The Equity Shares allotted on conversion of the Warrants shall rank pari-passu in all respects (including voting powers and the right to receive dividend), with the existing equity shares of the Company from the date of allotment thereof and shall be subject to the provisions of the Memorandum of Association (“MOA”) and Articles of Association (“AOA”) of the Company;
- d. The tenure of warrants shall not exceed 18 (Eighteen) months from the date of allotment of the warrants;
- e. The proposed allottees of warrants shall be entitled to exercise option to convert warrants, in one or more tranches for allotment of one Equity Share of face value of Re. 1.00/- (Rupee One Only) (*considering the effect of sub-division of shares*) for every warrant, within a period of 18 (Eighteen) months from the date of allotment of such warrants and upon exercise of the option by proposed allottees, the Company shall issue and allot appropriate number of Equity Shares and perform all such actions as are required including to credit the same to the designated securities demat account of the Proposed Allottees;
- f. In case, the Warrant holder does not apply for the conversion of the outstanding Warrants into Equity Shares of the Company within 18 (Eighteen) months from the date of allotment of the said Warrants, then the amount paid on each of the said outstanding Warrants shall be forfeited and all the rights attached to

the said Warrants shall lapse automatically;

- g. The said warrants by itself, until exercise of conversion option into Equity Shares allotted, does not give any rights to the warrant holder with respect to that of the Shareholders of the Company;
- h. The Warrants shall be exercised in a manner that is in compliance with the minimum public shareholding norms prescribed for the Company under the SEBI (LODR) Regulations and the Securities Contracts (Regulation) Rules, 1957;
- i. The issue of the Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be including any modifications thereof from time to time;
- j. Upon exercise of the option by the allottee to convert the Warrants into Equity shares within a period of 18 (Eighteen) months, the Equity shares, pursuant to exercise of warrants, shall be allotted within a period of 15 days from the date of such exercise by the allottee in compliance with provisions of Regulation 162(2) of SEBI (ICDR) Regulations;
- k. The Warrants and the Equity Shares allotted pursuant to exercise of such Warrants shall be subject to a lock-in for such period as specified under applicable provisions of the SEBI (ICDR) Regulations and allotted equity shares shall be listed on the stock exchange where the equity shares of the Company are listed, subject to the receipt of necessary permissions and approvals. Further, the aforesaid warrants shall not be sold, transferred, hypothecated or encumbered in any manner by the Proposed Allottees during the period of lock-in, except to the extent and in the manner permitted under Chapter V of SEBI ICDR Regulations;

However, in addition to the lock-in period prescribed under ICDR Regulations, the said Equity Shares shall along with any further issuance of shares such as Bonus Shares, which may arise in future, shall be locked in for a further period as may be mutually agreed upon by the Company and the Proposed Allottee.

- l. The Company shall procure the listing and trading approvals for the Equity Shares to be issued and allotted to the Warrant holders upon exercise of the Warrants from the relevant Stock Exchanges in accordance with the SEBI (LODR) Regulations and all other applicable laws, rules and regulations.

Without prejudice to the generality of the above, the issue of the Equity Shares shall be subject to the terms and conditions as contained in the explanatory statement under Section 102 of the Act annexed hereto, which shall be deemed to form part hereof.”

“RESOLVED FURTHER THAT, the pre-preferential allotment shareholding of the Warrant Holders, if any, in the Company shall also be subject to lock-in as per the provisions of the ICDR Regulations.

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to issue and allot such Equity Shares as may be required to be issued and allotted upon conversion of the said Warrants and that Equity Shares shall be subject to the provisions of the Articles of Association (“AOA”) of the Company and shall rank pari-passu in all respects, including entitlement for dividend, with the existing Equity Shares of the Company.

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to decide and approve other terms and conditions of the issue of the Warrants and/ or Equity Shares and shall also be entitled to vary, modify or alter any of the terms and conditions, as it may deem fit, subject however to the compliance with the applicable guidelines, notifications, rules and regulations.”

“RESOLVED FURTHER THAT, subject to the receipt of such approvals as may be required under applicable law, consent of the Members of the Company be and is hereby accorded to record the name and details of the Proposed Allottees in Form PAS-5, and issue a private placement offer cum application letter in Form PAS-4, to the Proposed Allottees in accordance with the provisions of the Act, after passing of this resolution with a stipulation that the allotment would be made only upon receipt of In-principle approval from the Stock Exchange i.e. BSE Limited (“BSE”) within the timelines prescribed under the applicable laws.”

“RESOLVED FURTHER THAT, the Company hereby takes note of the certificate from the Practicing Company Secretary certifying that the above issue of the Convertible warrants is being made in accordance with the ICDR Regulations.”

“RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, any Member of the Board or any committee thereof or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarifications, resolving all questions of doubt effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares and listing thereof with the Stock Exchanges as appropriate and utilization of proceeds of the issue, filing of requisite documents with the Registrar of Companies, Depositories and/ or such other authorities as may be necessary and take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.”

“RESOLVED FURTHER THAT, any Member of the Board and/ or Company Secretary of the Company be and are hereby authorized to delegate all or any of the powers herein conferred, as it may deem fit in its absolute direction, to any Committee of the Board or any one or more Director(s) or any Officer(s) of the Company including making necessary filings with the Stock Exchange and Regulatory Authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint Consultants, Professional Advisors and Legal Advisors to give effect to the aforesaid resolution.”

“RESOLVED FURTHER THAT, all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

Registered Office:

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

**By the Order of the Board of
Dipna Pharmaceuticals Limited**

Place: Ahmedabad

Date: 29th July, 2024

**Sd/-
Keyur Shah
Managing Director
DIN: 03167258**

NOTES:

1. The relevant Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (“Act”) read with Section 110 of the Act and Rule 22 of the Companies (Management and Administration) Rules, 2014 (“Rules”), each as amended, setting out the material facts relating to the aforesaid Resolutions and the reasons thereof is annexed hereto and forms part of this Notice.
2. The 13th Annual General Meeting (“AGM”) will be held on Tuesday, 27th August, 2024 at 04:00 P.M. IST through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), in compliance with the applicable provisions of the Companies Act, 2013 read with Ministry of Corporate Affairs’ (“MCA”) General Circular no. 14/2020 dated 8th April, 2020, MCA General Circular no. 17/2020 dated 13th April, 2020, MCA General Circular No. 20/2020 dated 5th May, 2020, MCA General Circular No. 22/2020 dated 15th June, 2020, MCA General Circular No. 02/2021 dated 13th January, 2021 and Circular No. 02/2022 dated 5th May, 2022 and SEBI Circulars dated 12th May, 2021 and 15th January, 2021, Circular No. 02/2022 dated May 05, 2022 and in compliance with the provisions of the Companies Act, 2013 (“Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The deemed venue for the 13th AGM shall be the Registered Office of the Company.
3. This AGM is being held through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.** Members have to attend and participate in the ensuing AGM through VC/OAVM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. Members of the Company under the category of “Institutional Investors” are encouraged to attend and vote at the AGM through VC. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to Email at info@dipnapharmachem.com and / or at info@accuratesecurities.com, a certified copy of the Board Resolution / authorization letter authorizing their representative to attend and vote on their behalf at AGM through E-voting.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote E-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (“NSDL”) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote E-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
8. In line with the Ministry of Corporate Affairs (“MCA”) Circular No. 17/2020 dated April 13, 2020, the Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited (“BSE”) at www.bseindia.com and Dipna Pharmachem Limited (“Company” or “DPL”) Website i.e. www.dipnapharmachem.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote E-voting facility) i.e. www.evoting.nsdl.com.
9. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

10. The Board of Directors has appointed Mr. Gaurav Vasudev Bachani, Proprietor of M/s. Gaurav Bachani & Associates (Membership No. 61110 ACS, CP No. 22830), Ahmedabad, Practicing Company Secretary, as the Scrutinizer to scrutinize the remote voting and e-voting process in fair and transparent manner.
11. The Scrutinizer will submit his consolidated report to the Chairman, or any other person authorised by him, after completion of scrutiny of the votes cast, and the result of the voting will be announced by the Chairman or any other person authorized by him. The Scrutinizer's decision on the validity of votes cast will be final.
12. The Results declared along with the Scrutinizer's Report shall be communicated to the Stock Exchange, where the equity shares of the Company are listed viz. BSE Limited ("BSE") and be made available on its website viz. www.bseindia.com.
13. **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

In compliance with the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Notice of the 13th Annual General Meeting ("AGM") along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2023-24 will be available on website of the Stock Exchange, i.e., BSE Limited ("BSE") at www.bseindia.com, Company Website i.e. www.dipnapharmachem.com and on the website of NSDL at <https://www.evoting.nsdl.com/>. **Annual Report will not be sent in physical form.**

14. Members of the Company holding shares, either in physical form or in Dematerialized form, as on Friday, 2nd August, 2024 will receive Annual Report for the financial year 2023-24 through electronic mode only.
15. The Register of Members and Share Transfer Books will remain closed from Tuesday, 20th August, 2024 to Tuesday, 27th August, 2024 (both days inclusive) for the purpose of Annual General Meeting ("AGM").
16. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc., to their Depository Participant ("DP"). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company ("RTA") at its following address: Bigshare Services Private Limited, Pinnacle Business Park, Office no S6-2, 6th floor, Mahakali Caves Road, Next to Ahura Centre, Andheri East, Mumbai, Maharashtra, India - 400 093, Email Id: mohan@bigshareonline.com.
17. In terms of the provisions of Section 152 of the Act, Ms. Dipna Keyur Shah (DIN: 02507462), Director of the Company, who retires by rotation at this Annual General Meeting ("AGM"). The Nomination and Remuneration Committee and the Board of Directors of the Company recommend her re-appointment.

Ms. Dipna Keyur Shah (DIN: 02507462), Director is interested in the Ordinary Resolution set out at Item No. 2, of the Notice with regard to her re-appointment. The other relatives of Ms. Dipna Keyur Shah being shareholders of the Company may be deemed to be interested in the resolution set out at Item No. 2 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item No. 2 of the Notice.

18. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
19. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.

20. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred / traded only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized.
21. Members are requested to quote their Folio No. or DP ID/ Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar and Share Transfer Agent.
22. Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the "Annexure" to the Notice as per Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India
23. As the AGM is to be held through VC/ OAVM, Members seeking any information with regard to the accounts or any documents, are requested to write to the Company at least 10 days before the date of AGM through email on info@dipnapharmachem.com and / or at info@accuratesecurities.com. The same will be replied / made available by the Company suitably.
24. The business set out in the Notice of AGM will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.
25. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
26. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
27. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
28. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
29. The Company has set Tuesday, 20th August, 2024 as the "Cut-off Date" for taking record of the shareholders of the Company who will be eligible for casting their vote on the resolution to be passed in the ensuing 13th Annual General Meeting ("AGM"), for both E-Voting.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on Saturday, 24th August, 2024 at 9:00 A.M. and ends on Monday, 26th August, 2024 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, 20th August, 2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, 20th August, 2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies. Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with

Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> 1. If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDEAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDEAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |

| | |
|--|--|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | 5. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--|--|

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30. |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43. |

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your

vote.

- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- (a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csgauravbachani@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (Self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to info@dipnapharmachem.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (Self attested scanned copy of PAN card), AADHAR (Self attested scanned copy of Aadhar Card) to (info@dipnapharmachem.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (info@dipnapharmachem.com). The same will be replied by the company suitably.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 3 & 4:

The Chairman informed that, the Present Authorised Share Capital is Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupee One Only) each and the Issued, Subscribed and Paid-up Equity share capital is Rs. 24,04,52,500/- (Rupees Twenty-Four Crores Four Lakhs Fifty-Two Lakhs and Five Hundred Only) divided into 2,40,45,250 (Two Crores Forty Lakhs Forty-Five Lakhs Two Hundred Fifty) Equity Shares of Rs. 10/- each.

The Market price of the Company's Equity Shares has increased significantly during the last few years. In order to improve the liquidity of the Company's Equity Shares and to make these equity shares more affordable / accessible for the small retail investors to invest in the Company's shares, the Board of Directors ("hereinafter referred as Board") at its meeting held on Monday, 6th May, 2024 recommended the Sub-Division of 1 (One) Equity Share having a face value of Rs. 10/- (Rupees Ten Only) each into 10 (Ten) Equity Shares having face value of Re. 1/- (Rupee One Only) each for the approval of Shareholders of the Company.

Further, Article 28 of the Articles of Association permits sub-division of shares subject to the approval of Members of the Company. The Record Date for the aforesaid Sub-division of Equity Shares will be fixed by the Board of Directors of the Company after obtaining approval of Members of the Company. Pursuant to the aforesaid sub-division of Equity Shares and as per Section 13 & 61 of the Companies Act, 2013 and the rules made thereunder, it is required to alter the existing Clause V i.e. Capital clause of the Memorandum of Association of the Company.

Accordingly, the Board recommends resolutions set out in Item Nos. 3 and 4 of the Notice for approval of Shareholders in the interest of the Company.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in the above resolutions, except to the extent of Equity Shares held by them in the Company.

Item No. 5:

Considering the requirement and future business prospects, it is therefore considered necessary to increase the Authorised Share Capital of the Company from Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only) divided into 25,00,00,000 (Twenty-Five Crores) Equity Shares of Re. 1/- (Rupee One Only) each (*considering the effect of sub-division of shares*) to Rs. 92,00,00,000/- (Rupees Ninety-Two Crores Only) divided into 92,00,00,000 (Ninety-Two Crores) Equity Shares of Re. 1/- (Rupee One Only) each ranking pari passu in all respect with the existing Equity Shares of the Company.

The proposed increase in Authorised Share Capital requires the approval of members in Annual General Meeting. Consequently, upon increase in Authorised Share Capital, the Memorandum of Association of the Company will require alteration so as to reflect the increased Authorised Share Capital.

The proposed resolution is in the interest of the Company and your Directors recommend the same for your approval by way of an Ordinary Resolution.

Item No. 6:

In accordance with Section(s) 23(1)(b), 42 and 62(1)(c) and other applicable provisions of the Companies Act, 2013 (**the "Act"**) and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**the "SEBI ICDR Regulations"**) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the "SEBI LODR Regulations"**), as amended from time to time, approval of shareholders of the Company by way of special resolution is required to issue securities i.e., equity shares by way of private placement on a preferential basis to the person other than Promoter/ Promoter group.

Thus, the members are hereby informed that in line with the said proposal, the Board pursuant to its resolution dated Monday, 29th July, 2024 has approved the proposed preferential issue of 30,50,10,445 (Thirty Crores Fifty

Lakhs Ten Thousand Four Hundred Forty-Five) fully paid-up Equity Shares of the Company having a Face Value of Re. 1/- (Rupee One Only)(*considering the effect of sub-division of shares*) are each at a price of Re. 1.60/- (Rupee One and Sixty Paise Only) (including a premium of Re. 0.60/- each {Sixty Paise Only}) per share (“Preferential Allotment Price”), aggregating to not exceeding Rs. 48,80,16,712/- (Rupees Forty Eight Crores Eighty Lakhs Sixteen Thousand Seven Hundred Twelve Only) (amounts round off nearby zero) to the Proposed Allottee for a consideration other than cash, which is not less than the floor price prescribed under Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”) on a preferential basis and consequently, recommends the resolution as set out in item no. 6 above to be passed by the members by remote e-voting/voting through electronic means.

Pursuant to the above transaction, there would be no change in the management or control or would not result in transfer of ownership of the Company to the Proposed Allottees.

Necessary information/details in relation to the Preferential Issue as required under the SEBI ICDR Regulations and the Companies Act, 2013 (“Act”) read with the rules issued there-under, are set forth below:

1. Particulars of the offer including date of passing of Board resolution:

The Board, pursuant to its resolution dated Monday, 29th July, 2024, has approved the proposed preferential issue of 30,50,10,445 (Thirty Crores Fifty Lakhs Ten Thousand Four Hundred Forty Five) fully paid-up Equity Shares of the Company having a Face Value of Re. 1/- (Rupee One Only) each (*considering the effect of sub-division of shares*) at a price of Re. 1.60/- (Rupee One and Sixty Paise Only) (including premium of Re. 0.60/- each {Sixty Paise Only}) per equity share Equity Share, for consideration other than cash, which is not less than the floor price prescribed under Chapter V of the SEBI ICDR Regulations, on a preferential basis.

2. The Objects of the issue:

The Company has proposed settlement and agreed to discharge its liability viz. trade payable for Rs. 48,80,16,712/- (Rupees Forty-Eight Crores Eighty Lakhs Sixteen Thousand Seven Hundred Twelve Only) (amounts round off nearby zero) as per MOU with the Proposed Allottee for consideration other than cash settled by allotment of Equity Shares of the Company as mentioned in resolution at Item No. 6 in this notice and explanatory statement, subject to SEBI ICDR Regulations and requisite approvals from stock exchanges and any other regulatory approvals, as may be applicable.

| Sr. No. | Particulars | Tentative Amount (Rs. in Crores) | Tentative time period under which the amount shall be utilized |
|---------|--|--|--|
| 1. | To settlement and discharge liabilities towards Creditor i.e. discharge liability i.e. Trade Payable | Rs. 48,80,16,712/- (Rupees Forty-Eight Crores Sixteen Lakhs Seven Hundred Twelve Only) | N.A. |

3. Kinds of securities offered and the price at which security is being offered and the total number of shares or other securities to be issued:

The Company has agreed to issue up to 48,80,16,712 (Forty-Eight Crores Eighty Lakhs Sixteen Thousand Seven Hundred Twelve) fully paid-up Equity Shares of the Company having a Face Value of Re. 1/- (Rupee One Only) each at a price of Re. 1.60/- (Rupees One and Sixty Paise Only) (including a premium of Re. 0.60/- (Sixty Paise Only) per Equity Share which is not less than the floor price prescribed under Chapter V of the SEBI ICDR Regulations.

4. Basis on which the price has been arrived at:

The Company is listed on BSE Limited (“BSE”), and the Equity Shares of the Company are frequently traded in accordance with Regulation 164 of the ICDR Regulations. Accordingly, the computation of the price per Equity share has been determined.

The Floor Price of Re. 1.60/- (after make adjustment of sub-division of share) is determined as per the pricing formula prescribed under SEBI ICDR Regulations for the Preferential Issue of Equity Shares and is higher of the following:

- a. 90 trading days volume weighted average price (VWAP) of the Equity Shares of the Company quoted on the BSE preceding the relevant date i.e. Rs. 0.92/- (after make adjustment of sub-division of share) per equity shares;
- b. 10 trading days volume weighted average price (VWAP) of the Equity Shares of the Company quoted on the BSE preceding the relevant date i.e. Rs. 0.78 (after make adjustment of sub-division of share) per equity shares;

In terms of Regulation 163(3) of SEBI ICDR Regulations, the proposed offer, issue and allotment of equity shares shall be made to proposed allottee for consideration other than Cash, accordingly, the floor price per Equity Share of Re. 1.60/- (after make adjustment of sub-division of share) (Rupee One and Sixty Paise) has been considered based on the above pricing formula and the valuation report from a Registered Valuer Entity.

However, the issue price per warrant is Re. 1.60/-, which is not less than the floor price determined under chapter V of SEBI (ICDR) Regulations, 2018 and Valuation Report from a Registered Valuer Entity.

5. The price or price band at/within which the allotment is proposed:

The price per Equity Share to be issued is fixed at Re. 1.60/- (Rupee One and Sixty Paise Only) which consist of Re.1.00/- (Rupee One Only) (after make adjustment of sub-division of share) as face value and Re 0.60/- (Sixty Paise Only) as premium per equity share.

Kindly refer to the abovementioned point no. 4 for the basis of determination of the price.

6. Relevant Date with reference to which the price has been arrived at:

The “**Relevant Date**” as per Chapter V of the SEBI ICDR Regulations for the determination of the floor price for Equity Shares to be issued is **Friday, 26th July, 2024** i.e. being the date 30 days prior to the date of Annual General Meeting (“AGM”).

Explanation: Where the relevant date falls on a weekend or a holiday, the day preceding the weekend or the holiday will be reckoned to be the relevant date.

Note: In our case, the Relevant Date falls on Sunday, 28th July, 2024 and Saturday, 27th July, 2024 i.e. (i.e. weekend). Therefore, the Relevant Date is Friday, 26th July, 2024.

7. The pre issue and post issue shareholding pattern of the Company:

The pre issue shareholding pattern of the Company as on 31st March, 2024 and the post-issue shareholding pattern (considering full allotment of shares issued on preferential basis and effect of sub-division of shares) is mentioned hereinbelow:

| Sr. No. | Description | Post issue shareholding | | *Post issue shareholding | |
|------------|---|-------------------------|-------------|--------------------------|-------------|
| | | No. of shares | % of shares | No. of shares | % of shares |
| (A) | Promoter and Promoter Group's Shareholding | | | | |
| 1 | Indian | | | | |
| (a) | Individuals/ Hindu Undivided Family | 23,99,700 | 9.98 | 2,39,97,000 | 4.40 |
| (b) | Central Government/ State Government(s) | 0 | 0.00 | 0 | 0.00 |
| (c) | Bodies Corporate | 0 | 0.00 | 0 | 0.00 |
| (d) | Financial Institutions/ Banks | 0 | 0.00 | 0 | 0.00 |
| (e) | Any Others (Specify) | 0 | 0.00 | 0 | 0.00 |
| (f) | Directors Relatives | 0 | 0.00 | 0 | 0.00 |
| | Sub Total(A)(1) | 23,99,700 | 9.98 | 2,39,97,000 | 4.40 |
| 2 | Foreign | | | | |
| A | Individuals (Non-Residents Individuals/ Foreign Individuals) | 0 | 0.00 | 0 | 0.00 |
| B | Bodies Corporate | 0 | 0.00 | 0 | 0.00 |
| C | Institutions | 0 | 0.00 | 0 | 0.00 |
| D | Any Others (Specify) | 0 | 0.00 | 0 | 0.00 |
| | Sub Total(A)(2) | 0 | 0.00 | 0 | 0.00 |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2) | 23,99,700 | 9.98 | 2,39,97,000 | 4.40 |

| | | | | | |
|------------|---|--------------------|---------------|---------------------|---------------|
| (B) | Public shareholding | | | | |
| B1 | Institutions | | | | |
| (a) | Mutual Funds/ UTI | 0 | 0.00 | 0 | 0.00 |
| (b) | Financial Institutions / Banks | 0 | 0.00 | 0 | 0.00 |
| (c) | Central Government/ State Government(s) | 0 | 0.00 | 0 | 0.00 |
| (d) | Venture Capital Funds | 0 | 0.00 | 0 | 0.00 |
| (e) | Insurance Companies | 0 | 0.00 | 0 | 0.00 |
| (f) | Foreign Portfolio Investors | 0 | 0.00 | 0 | 0.00 |
| (g) | Foreign Institutional Investors | 0 | 0.00 | 0 | 0.00 |
| (h) | Foreign Venture Capital Investors | 0 | 0.00 | 0 | 0.00 |
| (i) | Any Other-Foreign Body Corporate | 0 | 0.00 | 0 | 0.00 |
| | Sub-Total (B)(1) | 0 | 0.00 | 0 | 0.00 |
| B2 | Promoter and Promoter Group's Shareholding | | | | |
| (a) | Bodies Corporate | 6,33,750 | 2.64 | 10,79,85,750 | 19.80 |
| (b) | Individuals | | | | |
| I | Individual shareholders holding nominal share capital up to Rs. 2 Lakh | 81,98,800 | 34.10 | 8,19,88,000 | 15.03 |
| II | Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh | 69,66,500 | 28.97 | 6,96,65,000 | 12.77 |
| (c) | NBFCs registered with RBI | | | | |
| (d) | Any Other (specify) | | | | |
| | - Non -resident Indians | 2,79,250 | 1.16 | 27,92,500 | 0.51 |
| | - Clearing Member | 2,59,250 | 1.08 | 25,92,500 | 0.48 |
| | - Trust | 0 | 0.00 | 0 | 0.00 |
| | - Hindu Undivided Family | 53,08,000 | 22.08 | 8,37,99,250 | 15.36 |
| | - LLP | 0 | 0.00 | 0 | 0.00 |
| | - Firms | 0 | 0.00 | 17,26,42,945 | 31.65 |
| | Sub-Total (B)(2) | 2,16,45,550 | 90.02 | 52,14,65,945 | 95.60 |
| (B) | Total Public Shareholding (B)= (B)(1) + (B)(2) | 2,16,45,550 | 90.02 | 52,14,65,945 | 95.60 |
| | TOTAL (A)+(B) | 2,40,45,250 | 100.00 | 54,54,62,945 | 100.00 |
| (C) | Non-Promoter - Non-Public | | | | |
| 1 | Shares held by Custodian for GDRs & ADRs | 0 | 0.00 | 0 | - |
| 2 | Employee Benefit Trust (under SEBI (SBEB) Reg., 2014) | 0 | 0.00 | 0 | - |
| | Sub-Total (C): | 0 | 0.00 | 0 | - |
| | GRAND TOTAL (A)+(B)+(C) | 2,40,45,250 | 100.00 | 54,54,62,945 | 100.00 |

** Considered only after allotment of equity shares in cash*

Note:

- The post issue shareholding pattern in the above table has been prepared on the basis that the Proposed Allottee (Other than Cash Preferential Allotment proposed in this meeting on fully dilution basis) would have subscribed to and been allotted all the Equity Shares. In the event for any reason, the Proposed Allottee does not or are unable to subscribe to and/or are not allotted the Equity Shares, the shareholding pattern in the above table would undergo corresponding changes.
- The pre issue shareholding pattern in the above table has been prepared on the basis that the Proposed Allottee (Other than cash Preferential Allotment proposed in this meeting on fully dilution basis) would have subscribed to and been allotted all the Equity Shares. In the event for any reason, the Proposed Allottee does not or are unable to subscribe to and/or are not allotted the Equity Shares, the shareholding pattern in the above table would undergo corresponding changes.
- It is further assumed that shareholding of the Company in all other categories will remain unchanged.
- The pre and post issued shareholding pattern is prepared after considering the effect of Split of equity shares of Rs. 10/- (Rupee Ten Only) into Re. 1/- (Rupee One Only) each as the said resolution has been approved by the members as item no. 1 and 2 of this Notice.
- The Company will ensure compliance with all applicable laws and regulations including the SEBI ICDR Regulations at the time of allotment of Equity Shares of the Company.

8. Name and address of valuer who performed valuation:

The proposed preferential issue is to be made to the proposed allottee for the Consideration other than Cash. Further, considering that the allotment shall be more than 5% of the post issue fully diluted share capital of the Company, to an allottee or to allottees acting in concert, the floor price of Re. 1/- (after make adjustment

of sub-division of share) (Rupee One Only) of the shares to be issued and allotted to the proposed allottees has been determined taking into account the valuation report dated August 02, 2024, issued by Corporate Professionals Valuation Services Private Limited, Registered valuer Entity in accordance with Regulation 166A of the ICDR Regulations (**“Valuation Report”**).

The Valuation Report shall be available for inspection by the members and the same may be accessed on the Company’s website at the link: <https://dipnapharmachem.com/>.

9. Amount which the Company intends to raise by way of such securities:

The shares are being allotted for a consideration other than cash as part of the consideration payable for the acquisition as mentioned above.

10. Material terms of raising such securities, proposed time schedule, principal terms of assets charged as securities, issue including terms and rate of dividend on each share, etc.

The Equity Shares are being issued on a preferential basis for a consideration other than cash at an issue price of Re. 1.00/- (after make adjustment of sub-division of share) (Rupee One Only) per share in accordance with Chapter V of SEBI ICDR Regulations to the Proposed Allottee.

The Equity Shares being issued shall be pari-passu with the existing Equity Shares of the Company.

Principal terms of assets charged as securities is not applicable.

11. The class or classes of persons to whom the allotment is proposed to be made:

The aforementioned allotment, if approved, is proposed to be made to above mentioned allottees, under “Non-Promoter Category” of the Company.

12. Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the offer:

The Equity Shares shall be offered to the Proposed Allottee only. Except “Non-Promoter Category” mentioned) none of the Promoters, Directors or Key Managerial Personnel of the Company intends to subscribe to any of the Equity Shares proposed to be issued under the Preferential Allotment.

13. The proposed time within which the allotment shall be completed:

As required under the SEBI ICDR Regulations, the Company shall complete the allotment of the Equity Shares on or before the expiry of 15 (fifteen) days from the date of passing of the special resolution by the Members for issue and allotment of the Equity Shares, provided that where the issue and allotment of the shares is pending on account of pendency of any approval or permission for such issue and allotment by any regulatory authority, the issue and allotment shall be completed within a period of 15 (fifteen) days from the date of receipt of last of such approvals or permissions.

14. The names of the Proposed Allottee and the percentage of post preferential offer capital that may be held by them:

The Proposed Allottee are as under and the Percentage of post preferential offer capital held by it is 66.99% (Considered share allotted under other than cash fully dilution basis)

| Sr. No. | Name of the Proposed Allottees | No. of Equity shares proposed to be issued | % of post Preferential |
|----------------|---|---|-------------------------------|
| 1. | Nim Chemicals | 5,82,26,245 | 10.67 |
| 2. | Nextgen Pharmachem | 3,18,43,125 | 5.84 |
| 3. | Falguni Enterprise | 4,52,67,175 | 8.30 |
| 4. | Adinath Pharma Chem | 3,07,19,250 | 5.63 |
| 5. | Arison Alkalies and Chemicals Private Limited | 5,18,23,125 | 9.50 |
| 6. | MKS Alkalies and Chemicals Private Limited | 4,98,25,125 | 9.13 |
| 7. | Aryan Enterprise | 3,73,06,400 | 6.84 |
| | Total | 30,50,10,445 | 55.92 |

15. The change in control, if any, in the Company that would occur consequent to the preferential offer:

There shall be no change in the management or control of the Company pursuant to the aforesaid issue and allotment of the Equity Shares.

16. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

During the year, no preferential allotment of any securities has been made to any person.

17. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer Entiry:

The Company has proposed settlement and agreed to discharge its liability viz. trade payable for Rs. 48,80,16,712/- (Rupees Forty-Eight Crores Eighty Lakhs Sixteen Thousand Seven Hundred Twelve Only) (amounts round off nearby zero) as per MOU with the Proposed Allottee for consideration other than cash settled by allotment of Equity Shares of the Company as mentioned in resolution at Item No. 6 in this notice and explanatory statement, subject to SEBI ICDR Regulations and requisite approvals from stock exchanges and any other regulatory approvals, as may be applicable.

The valuation of the swap of share is based on the independent valuation report dated August 02, 2024 received from Corporate Professionals Valuation Services Private Limited, a Registered Valuer Entity in compliance with Regulation 163(3) of the SEBI (ICDR) Regulations.

18. Lock-in Period

The proposed allotment of the Equity Shares, shall be subject to a lock-in as per the requirements of ICDR Regulations i.e. six (6) months from the date of trading approval. However, in addition to the lock-in period prescribed under ICDR Regulations, the said Equity Shares shall along with any further issuance of shares such as Bonus Shares, which may arise in future, shall be locked in for a further period as may be mutually agreed upon by the Company and the Proposed Allottee.

19. Listing:

The Company will make an application to the Stock Exchange at which the existing shares are listed, for listing of the aforementioned Equity Shares.

The above shares, once allotted, shall rank pari passu with the then existing equity shares of the Company in all respects.

20. The name of the Proposed Allottee, the identities of the persons who are the ultimate beneficial owners of the shares and/ or who ultimately control the Proposed Allottee:

| Sr. No. | Proposed Allottee subscribing to the shares | Category | Natural Persons who are the ultimate beneficial owners | Pre-Issue shareholding | | No. of Shares to be allotted | *Post issue shareholding | |
|---------|---|--------------|--|------------------------|--------------------|------------------------------|--------------------------|--------------------|
| | | | | No. of Shares | % of Share-holding | | No. of Shares | % of Share-holding |
| 1. | Nim Chemicals | Non-Promoter | Yagnesh Manvantrai Vachhrajani | 0 | 0.00 | 5,82,26,245 | 5,82,26,245 | 10.67 |
| 2. | Nextgen Pharmachem | Non-Promoter | Nihar Saurabh Shah | 0 | 0.00 | 3,18,43,125 | 3,18,43,125 | 5.84 |
| 3. | Falguni Enterprise | Non-Promoter | Kaivin Shaileshbhai Shah | 0 | 0.00 | 4,52,67,175 | 4,52,67,175 | 8.30 |
| 4. | Adinath Pharma Chem | Non-Promoter | Champaklal Prabhudas Bhimani (HUF) | 0 | 0.00 | 3,07,19,250 | 3,07,19,250 | 5.63 |
| 5. | Arison Alkalies And Chemicals Private Limited | Non-Promoter | Manan Vinodkumar Mody Saumil Ashokbhai Shah | 0 | 0.00 | 5,18,23,125 | 5,18,23,125 | 9.50 |

| | | | | | | | | |
|----|--|--------------|-----------------------|---|------|-------------|-------------|------|
| 6. | MKS Alkalies And Chemicals Private Limited | Non-Promoter | Saumil Ashokbhai Shah | 0 | 0.00 | 4,98,25,125 | 4,98,25,125 | 9.13 |
| | | | Manan Vinodkumar Mody | | | | | |
| 7. | Aryan Enterprise | Non-Promoter | Manan Vinodkumar Mody | 0 | 0.00 | 3,73,06,400 | 3,73,06,400 | 6.84 |

** Considered only after allotment of equity shares in cash*

21. The percentage of post preferential issue capital that may be held by the allottee and change in control, if any, in the issuer consequent to the preferential issue:

The percentage of post preferential issue capital that may be held by the Proposed Allottees and change in control, if any in the Company consequent to the preferential issue is as below:

| Sr. No. | Proposed Allottee subscribing to the shares | Category | Natural Persons who are the ultimate beneficial owners | Pre-Issue shareholding | | No. of Shares to be allotted | *Post issue shareholding | |
|---------|---|--------------|--|------------------------|--------------------|------------------------------|--------------------------|--------------------|
| | | | | No. of Shares | % of Share-holding | | No. of Shares | % of Share-holding |
| 1. | Nim Chemicals | Non-Promoter | Yagnesh Manvantrai Vachhrajani | 0 | 0.00 | 5,82,26,245 | 5,82,26,245 | 10.67 |
| 2. | Nextgen Pharmachem | Non-Promoter | Nihar Saurabh Shah | 0 | 0.00 | 3,18,43,125 | 3,18,43,125 | 5.84 |
| 3. | Falguni Enterprise | Non-Promoter | Kaivin Shaileshbhai Shah | 0 | 0.00 | 4,52,67,175 | 4,52,67,175 | 8.30 |
| 4. | Adinath Pharma Chem | Non-Promoter | Champaklal Prabhudas Bhimani (HUF) | 0 | 0.00 | 3,07,19,250 | 3,07,19,250 | 5.63 |
| 5. | Arison Alkalies And Chemicals Private Limited | Non-Promoter | Manan Vinodkumar Mody | 0 | 0.00 | 5,18,23,125 | 5,18,23,125 | 9.50 |
| | | | Saumil Ashokbhai Shah | | | | | |
| 6. | MKS Alkalies And Chemicals Private Limited | Non-Promoter | Saumil Ashokbhai Shah | 0 | 0.00 | 4,98,25,125 | 4,98,25,125 | 9.13 |
| | | | Manan Vinodkumar Mody | | | | | |
| 7. | Aryan Enterprise | Non-Promoter | Manan Vinodkumar Mody | 0 | 0.00 | 3,73,06,400 | 3,73,06,400 | 6.84 |

** Considered only after allotment of equity shares in cash*

There is no change in the management or control of the Company pursuant to the aforesaid issue and allotment of the Equity Shares.

22. The current and proposed status of the allottee post the preferential issues namely, promoter or non-promoter:

| Sr. No. | Name of Proposed Allottee | No. of Shares | % of post preferential* | Current Status | Proposed Status |
|---------|---|---------------|-------------------------|----------------|-----------------|
| 1. | Nim Chemicals | 5,82,26,245 | 10.67 | Non-Promoter | Non-Promoter |
| 2. | Nextgen Pharmachem | 3,18,43,125 | 5.84 | Non-Promoter | Non-Promoter |
| 3. | Falguni Enterprise | 4,52,67,175 | 8.30 | Non-Promoter | Non-Promoter |
| 4. | Adinath Pharma Chem | 3,07,19,250 | 5.63 | Non-Promoter | Non-Promoter |
| 5. | Arison Alkalies And Chemicals Private Limited | 5,18,23,125 | 9.50 | Non-Promoter | Non-Promoter |
| 6. | MKS Alkalies And Chemicals Private Limited | 4,98,25,125 | 9.13 | Non-Promoter | Non-Promoter |
| 7. | Aryan Enterprise | 3,73,06,400 | 6.84 | Non-Promoter | Non-Promoter |

** Considered only after allotment of equity shares in cash*

23. Practicing Company Secretary's Certificate:

A certificate from Mr. Gaurav V Bachani, Practicing Company Secretary, certifying that the issue of Equity Shares is being made in accordance with requirements of ICDR Regulations is available for inspection at the

General Meeting of the members. The same is also available at the website of the Company at <http://dipnapharmachem.com/>

24. Undertaking:

- a. Neither the Company, nor any of its directors and/or Promoters have been declared as willful defaulter or a fraudulent borrower as defined under the SEBI ICDR Regulations. Consequently, the disclosures required under Regulation 163(1)(i) of the SEBI ICDR Regulations are not applicable.
- b. Neither the Company nor any of its directors and/or Promoters are a fugitive economic offender as defined under the SEBI ICDR Regulations.
- c. The Company is in compliance with the conditions for continuous listing and is eligible to make the preferential issue under Chapter V of the SEBI ICDR Regulations.
- d. The Proposed Allottee has confirmed that it has not sold any equity shares of the Company during the 90 Trading Days preceding the Relevant Date.
- e. The Company shall re-compute the price of the relevant securities to be allotted under the preferential allotment in terms of the provisions of SEBI ICDR Regulations if it is required to do so, including pursuant to Regulation 166 of the SEBI ICDR Regulations, if required. If the amount payable on account of the re-computation of price is not paid within the time stipulated in SEBI ICDR Regulations, the relevant securities to be allotted under the preferential issue shall continue to be locked-in till the time such amount is paid.*

*Since the Company's Equity Shares are listed on recognized Stock Exchanges for a period of more than 90 Trading days prior to the Relevant Date, the Company is neither required to re-compute the price nor is required to submit an undertaking as specified under applicable provisions of SEBI ICDR Regulations.

The approval of the Members is being sought to enable the Board to issue and allot the Equity Shares on a preferential basis, to the extent and in the manner as set out in the resolution and the explanatory statement.

MOU executed by the Company and proposed share holder are available for inspection during the business hours up to date of EGM as well as during the EGM.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are deemed to be concerned or interested, financially or other- wise in the said resolution except to the extent of their shareholding in the Company, if any.

The Board, accordingly, recommends passing of the Special Resolution as set out in Item No.4 of this Notice, for the approval of the Members.

Item No. 7:

In accordance with Sections 23(1)(b), 42 and 62(1)(c) and other applicable provisions of the Companies Act, 2013 (**the "Act"**) and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**the "SEBI ICDR Regulations"**) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the "SEBI LODR Regulations"**), as amended from time to time, approval of shareholders of the Company by way of special resolution is required to issue securities i.e. warrants convertible into equity shares (**"Warrants"**) by way of private placement on a preferential basis to the person(s) and/ or entity(ies) belong to "Promoter and Promoter Group" and "Non-Promoter category".

Thus, the members are hereby informed that in line with the said proposal, the Board pursuant to its resolution dated Monday, 29th July, 2024 has approved the proposed preferential issue of upto 11,25,00,000 (Eleven Crores Twenty Five Lakhs) Convertible Warrants (**"Warrants"**) of Re. 1.00/- each (*considering the effect of sub-division of shares*) fully paid up in cash, entitling the Proposed Allottees / Warrant Holders to exercise option to convert and get allotted one Equity Share of face value of Re. 1.00/- (Rupees One Only)(*considering the effect of sub-division of shares*) each fully paid-up against each warrant, within 18 (Eighteen) months from the date of allotment of warrants, at a price of Re. 1.60/- (Rupee One and Sixty Paise Only)(including a premium of Re. 0.60/-{Sixty Paise Only}) (hereinafter referred to as the **"Warrant Issue Price"**), **aggregating to not exceeding Rs. 18,00,00,000/- (Rupees Eighteen Crores Only)** (amounts round off nearby zero) to the Proposed Allottees for a consideration in

cash, which is not less than the floor price prescribed under Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”) and the valuation report received from Registered Valuer Entity, on a preferential basis and consequently, recommends the resolution as set out in Item No. 7 above to be passed by the members by remote e-voting/ voting through electronic means.

Pursuant to the above transaction, there would be no change in the management or control or would not result in transfer of ownership of the Company pursuant to the proposed Preferential Issue, upon allotment of Warrants (including equity shares upon conversion of the Warrants).

The Proposed Allottees have also confirmed their eligibility in terms of Regulation 159 of ICDR Regulations to subscribe to the Warrants to be issued pursuant to the Preferential Issue.

Necessary information/ details in relation to the Preferential Issue as required under the SEBI ICDR Regulations and the Companies Act, 2013 (“Act”) read with the rules issued there-under, are set forth below:

1. Particulars of the offer including date of passing of Board resolution:

The Board, pursuant to its resolution dated Monday, 29th July, 2024, has approved the proposed preferential issue of upto 11,25,00,000 (Eleven Crores Twenty Five Lakhs) convertible warrants at a price of Re. 1.60/- (Rupee One and Sixty Paise Only) (including premium of Re. 0.60/- {Sixty Paise Only}) each, for consideration in cash, to person(s) and/ or entity(ies) belonging to “Promoter & Promoter Group category” and “Non-Promoter category” which is not less than the floor price prescribed under Chapter V of the SEBI ICDR Regulations and the valuation report received from Registered Valuer Entity, on a preferential basis.

2. The Objects of the issue:

The Company intends to utilize the proceeds raised through the Preferential Issue (“Issue Proceeds”) towards the following objects:

- a. To meet working capital requirements of the Company (referred to below as “Working Capital requirements”);
- b. Upto 25.00% (twenty-five percent) of the Issue Proceeds will be utilised for general corporate purposes, which includes, inter alia, meeting ongoing general corporate exigencies and contingencies, expenses of the Company as applicable in such a manner and proportion as may be decided by the Board from time to time, and/or any other general purposes as may be permissible under applicable laws (referred to below as “General Corporate Purposes”).

(Collectively referred to below as the “Objects”)

Utilization of Issue Proceeds:

Given that the funds to be received against Warrant conversion will be in tranches and the quantum of funds required on different dates may vary, therefore, the broad range of intended use of the Issue Proceeds for the above Objects is set out herein below:

| Sr. No. | Particulars | Total estimated amount to be utilised for each of the Objects ¹ | Tentative timelines for utilization of Issue Proceeds from the date of receipt of funds |
|---------|--|--|---|
| 1. | To meet working capital requirement of the Company | Rs. 13,50,00,000/- | Within 12 months from receipt of funds for the warrants (as set out herein) |
| 3. | General Corporate Purpose | Rs. 4,50,00,000/- | |
| | Total | Rs. 18,00,00,000/- | |

Given that the Preferential Issue is for convertible Warrants, the Issue Proceeds shall be received by the Company within 18 (Eighteen) months from the date of allotment of the Warrants in terms of Chapter V of the SEBI ICDR Regulations, and as estimated by our management, the entire Issue Proceeds would be utilized for all the aforementioned Objects, in phases, as per the Company’s business requirements and availability of Issue Proceeds, within 12 months from the date of receipt of funds for the Warrants (as set out herein).

3. **Kinds of securities offered and the price at which security is being offered and the total number of shares or other securities to be issued:**

The Company has agreed to issue upto 11,25,00,000 (Eleven Crores Twenty-Five Lakhs) convertible warrants at a price of Re. 1.60/- (Rupee One and Sixty Paise Only) each, which is not less than the floor price prescribed under Chapter V of the SEBI ICDR Regulations and the valuation report received from Registered Valuer Entity.

4. **Basis on which the price has been arrived at:**

The Company is listed on BSE Limited ("BSE"), and the Equity Shares of the Company are frequently traded in accordance with Regulation 164 of the ICDR Regulations. Accordingly, the computation of the price per Equity share has been determined.

The Floor Price of Re. 1.60/- (after make adjustment of sub-division of share) is determined as per the pricing formula prescribed under SEBI ICDR Regulations for the Preferential Issue of Equity Shares and is higher of the following:

- c. 90 trading days volume weighted average price (VWAP) of the Equity Shares of the Company quoted on the BSE preceding the relevant date i.e. Rs. 0.92/- (after make adjustment of sub-division of share) per equity shares;
- d. 10 trading days volume weighted average price (VWAP) of the Equity Shares of the Company quoted on the BSE preceding the relevant date i.e. Rs. 0.78/- (after make adjustment of sub-division of share) per equity shares;

In terms of Regulation 163(3) of SEBI ICDR Regulations, the proposed offer, issue and allotment of equity shares shall be made to proposed allottee for consideration other than Cash, accordingly, the floor price per Equity Share of Re. 1.60/- (after make adjustment of sub-division of share) (Ninety Ome Paise Only) has been considered based on the above pricing formula and the valuation report from a Registered Valuer Entity.

However, the issue price per warrant is Re. 1.60/-, which is not less than the floor price determined under chapter V of SEBI (ICDR) Regulations, 2018 and Valuation Report from a Registered Valuer Entity.

5. **The price or price band at/within which the allotment is proposed:**

The price per warrant to be issued is fixed at Re. 1.60/- (Rupee One and Sixty Paise Only) which consists of Re. 1.00/- (Rupee One Only) as face value (considering the effect of sub-division of shares) and Re. 0.60/- (Sixty Paise Only) as premium per warrant.

Kindly refer to the above-mentioned point no. 4 for the basis of determination of the price.

6. **Relevant Date with reference to which the price has been arrived at:**

The "Relevant Date" as per Chapter V of the SEBI ICDR Regulations for the determination of the floor price for Equity Shares to be issued is **Friday, 26th July, 2024** i.e. being the date 30 days prior to the date of Annual General Meeting ("AGM").

Explanation: Where the relevant date falls on a weekend or a holiday, the day preceding the weekend or the holiday will be reckoned to be the relevant date.

Note: In our case, the Relevant Date falls on Sunday, 28th July, 2024 and Saturday, 27th July, 2024 i.e. (i.e. weekend). Therefore, the Relevant Date is Friday, 26th July, 2024.

7. **The pre issue and post issue shareholding pattern of the Company:**

The pre issue shareholding pattern of the Company as on 31st March, 2024 and the post-issue shareholding pattern (considering full allotment of shares issued on preferential basis) is mentioned herein below:

| Sr. No. | Description | Post issue shareholding | | *Post issue shareholding | |
|------------|---|-------------------------|---------------|--------------------------|---------------|
| | | No. of shares | % of shares | No. of shares | % of shares |
| (A) | Promoter and Promoter Group's Shareholding | | | | |
| 1 | Indian | | | | |
| (a) | Individuals/ Hindu Undivided Family | 23,99,700 | 9.98 | 4,89,97,000 | 7.45 |
| (b) | Central Government/ State Government(s) | 0 | 0.00 | 0 | 0.00 |
| (c) | Bodies Corporate | 0 | 0.00 | 0 | 0.00 |
| (d) | Financial Institutions/ Banks | 0 | 0.00 | 0 | 0.00 |
| (e) | Any Others (Specify) | 0 | 0.00 | 0 | 0.00 |
| (f) | Directors Relatives | 0 | 0.00 | 0 | 0.00 |
| | Sub Total(A)(1) | 23,99,700 | 9.98 | 4,89,97,000 | 7.45 |
| 2 | Foreign | | | | |
| A | Individuals (Non-Residents Individuals/ Foreign Individuals) | 0 | 0.00 | 0 | 0.00 |
| B | Bodies Corporate | 0 | 0.00 | 0 | 0.00 |
| C | Institutions | 0 | 0.00 | 0 | 0.00 |
| D | Any Others (Specify) | 0 | 0.00 | 0 | 0.00 |
| | Sub Total(A)(2) | 0 | 0.00 | 0 | 0.00 |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2) | 23,99,700 | 9.98 | 4,89,97,000 | 7.45 |
| (B) | Public shareholding | | | | |
| B1 | Institutions | | | | |
| (a) | Mutual Funds/ UTI | 0 | 0.00 | 0 | 0.00 |
| (b) | Financial Institutions / Banks | 0 | 0.00 | 0 | 0.00 |
| (c) | Central Government/ State Government(s) | 0 | 0.00 | 0 | 0.00 |
| (d) | Venture Capital Funds | 0 | 0.00 | 0 | 0.00 |
| (e) | Insurance Companies | 0 | 0.00 | 0 | 0.00 |
| (f) | Foreign Portfolio Investors | 0 | 0.00 | 0 | 0.00 |
| (g) | Foreign Institutional Investors | 0 | 0.00 | 0 | 0.00 |
| (h) | Foreign Venture Capital Investors | 0 | 0.00 | 0 | 0.00 |
| (i) | Any Other-Foreign Body Corporate | 0 | 0.00 | 0 | 0.00 |
| | Sub-Total (B)(1) | 0 | 0.00 | 0 | 0.00 |
| B2 | Promoter and Promoter Group's Shareholding | | | | |
| (a) | Bodies Corporate | 6,33,750 | 2.64 | 10,79,85,750 | 16.41 |
| (b) | Individuals | | | | |
| I | Individual shareholders holding nominal share capital up to Rs. 2 Lakh | 81,98,800 | 34.10 | 8,19,88,000 | 12.46 |
| II | Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh | 69,66,500 | 28.97 | 15,71,65,000 | 23.89 |
| (c) | NBFCs registered with RBI | | | | |
| (d) | Any Other (specify) | | | | |
| | - Non -resident Indians | 2,79,250 | 1.16 | 27,92,500 | 0.42 |
| | - Clearing Member | 2,59,250 | 1.08 | 25,92,500 | 0.39 |
| | - Trust | 0 | 0.00 | 0 | 0.00 |
| | - Hindu Undivided Family | 53,08,000 | 22.08 | 8,37,99,250 | 12.74 |
| | - LLP | 0 | 0.00 | 0 | 0.00 |
| | - Firms | 0 | 0.00 | 17,26,42,945 | 26.24 |
| | Sub-Total (B)(2) | 2,16,45,550 | 90.02 | 60,89,65,945 | 92.55 |
| (B) | Total Public Shareholding (B)= (B)(1) + (B)(2) | 2,16,45,550 | 90.02 | 60,89,65,945 | 92.55 |
| | TOTAL (A)+(B) | 2,40,45,250 | 100.00 | 65,79,62,945 | 100.00 |
| (C) | Non-Promoter - Non-Public | | | | |
| 1 | Shares held by Custodian for GDRs & ADRs | 0 | 0.00 | 0 | - |
| 2 | Employee Benefit Trust (under SEBI (SBEB) Reg., 2014) | 0 | 0.00 | 0 | - |
| | Sub-Total (C): | 0 | 0.00 | 0 | - |
| | GRAND TOTAL (A)+(B)+(C) | 2,40,45,250 | 100.00 | 65,79,62,945 | 100.00 |

* Considered only after allotment of equity shares in cash

Note:

1. The post issue shareholding pattern in the above table has been prepared on the basis that the Proposed Allottees would have subscribed to and been allotted all the Equity shares. In the event for any reason, the Proposed Allottees does not or are unable to subscribe to and/ or are not allotted the Equity shares, the shareholding pattern in the above table would undergo corresponding changes.
2. It is further assumed that shareholding of the Company in all other categories will remain unchanged.
3. The Company will ensure compliance with all applicable laws and regulations including the SEBI ICDR Regulations at the time of allotment of Equity shares of the Company.

8. Name and address of valuer who performed valuation:

Considering that the allotment shall be more than 5% of the post issue fully diluted share capital of the Company, to an allottee or to allottees acting in concert, the issue price of Re. 1.60/- (Rupee One and Sixty Paise Only) of the shares to be issued and allotted consequent to conversion of warrants into Equity shares, to the proposed allottees has been determined taking into account the Valuation Report dated August 02, 2024, issued by Corporate Professionals Valuation Services Private Limited, Registered Valuer Entity, Ahmedabad, in accordance with Regulation 166A of the ICDR Regulations ("**Valuation Report**"). The Valuation Report shall be available for inspection by the members on the Company's website at <https://dipnapharmachem.com/>.

9. Amount which the Company intends to raise by way of such securities:

Upto Rs. 18,00,00,000/- (Rupees Eighteen Crores Only) (amounts round off nearby zero).

10. Material terms of raising such securities, proposed time schedule, principal terms of assets charged as securities, issue including terms and rate of dividend on each share, etc.

The Equity shares are being issued on a preferential basis for a consideration in cash at an issue price of Re. 1.60/- (Rupee One and Sixty Paise Only) per share in accordance with Regulation 164 of SEBI ICDR Regulations to the Proposed Allottees.

The Equity shares being issued shall be pari-passu with the existing Equity shares of the Company.

Principal terms of assets charged as securities is not applicable.

11. The class or classes of persons to whom the allotment is proposed to be made:

The aforementioned allotment, if approved, is proposed to be made to above mentioned allottees, under both "Promoter & Promoter Group Category" and "Non-Promoter Category" of the Company.

12. The intention of Promoters, Directors or Key Managerial Personnel to subscribe to the offer:

The Equity Shares shall be offered to the Proposed Allottees only. Except Ms. Dipna Shah and proposed allottee(s) mentioned, none of the Promoters, Directors or Key Managerial Personnel of the Company intends to subscribe to any of the Equity shares proposed to be issued under the Preferential Allotment.

13. The proposed time within which the allotment shall be completed:

As required under the SEBI ICDR Regulations, the Company shall complete the allotment of the Equity warrants on or before the expiry of 15 (Fifteen) days from the date of passing of the special resolution by the Members for issue and allotment of the said warrants, provided that where the issue and allotment of the said warrants is pending on account of pendency of any approval or permission for such issue and allotment by any regulatory authority, the issue and allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals or permissions.

Further, upon exercise of the option by the allottee to convert the warrants within a period of 18 months, the equity shares, pursuant to exercise of warrants, shall be allotted within a period of 15 days from the date of such exercise by the allottee in compliance with provisions of Regulation 162(2) of ICDR Regulations.

14. The names of the Proposed Allottee and the percentage of post preferential offer capital that may be held by them:

The Proposed Allottees are as under:

| Sr. No. | Name of Proposed Allottee | No. of Convertible Warrants proposed to be issued | % of post preferential* |
|---------|---------------------------|---|-------------------------|
| 1. | Dipna Keyur Shah | 2,50,00,000 | 3.80 |
| 2. | Saumil Ashokbhai Shah | 1,25,00,000 | 1.90 |
| 3. | Saurabh Kamaleshbhai Shah | 1,87,50,000 | 2.85 |
| 4. | Manan Vinodkumar Mody | 1,25,00,000 | 1.90 |
| 5. | Jain Punit Shantilal | 1,25,00,000 | 1.90 |

| | | | |
|----|-------------------------|---------------------|--------------|
| 6. | Jitendra Kapilrai Joshi | 1,25,00,000 | 1.90 |
| 7. | Hardik Dilipkumar Mehta | 93,75,000 | 1.42 |
| 8. | Jalpa Chiragkumar Jani | 93,75,000 | 1.42 |
| | Total | 11,25,00,000 | 17.10 |

** Considered only after allotment of equity shares in cash*

15. The change in control, if any, in the Company that would occur consequent to the preferential offer:

There shall be no change in the management or control of the Company pursuant to the aforesaid issue and allotment of the Equity Shares.

16. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

During the year, no preferential allotment of any securities has been made to any person.

17. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer Entity:

Not Applicable

18. Lock-in Period:

The Equity Shares to be issued and allotted pursuant to conversion of warrants, shall be subject to a lock-in as per the requirements of ICDR Regulations. However, in addition to the lock-in period prescribed under ICDR Regulations, the said Equity shares shall along with any further issuance of shares such as Bonus Shares, which may arise in future, shall be locked in for a further period as may be mutually agreed upon by the Company and the Proposed Allottees.

The entire pre-preferential allotment shareholding of the allottees, shall be locked-in as per the requirements of ICDR Regulations i.e. from the relevant date up to a period of 90 trading days from the date of trading approval.

19. Listing:

The Company will make an application to the Stock Exchange at which the existing shares are listed, for listing of the aforementioned convertible warrants.

The Equity shares to be issued and allotted pursuant to conversion of warrants, once allotted, shall rank pari passu with the then existing equity shares of the Company in all respects.

20. The name of the Proposed Allottee, the identities of the persons who are the ultimate beneficial owners of the shares and / or who ultimately control the Proposed Allottee:

| Sr. No. | Proposed Allottee subscribing to the Shares | Category | Natural persons who are the ultimate beneficial owners | Pre-Issue shareholding | | No. of Shares to be allotted | *Post issue shareholding | |
|---------|---|--------------|--|------------------------|-------------------|------------------------------|--------------------------|-------------------|
| | | | | No. of Shares | % of Shareholding | | No. of Shares | % of Shareholding |
| 1 | Dipna Keyur Shah | Promoter | N.A. | 2,500 | 0.00 | 2,50,00,000 | 2,50,02,500 | 3.80 |
| 2 | Saumil Ashokbhai Shah | Non-Promoter | N.A. | 100 | 0.00 | 1,25,00,000 | 1,25,00,100 | 1.90 |
| 3 | Saurabh Kamaleshbhai Shah | Non-Promoter | N.A. | 100 | 0.00 | 1,87,50,000 | 1,87,50,100 | 2.85 |
| 4 | Manan Vinodkumar Mody | Non-Promoter | N.A. | 0 | 0.00 | 1,25,00,000 | 1,25,00,000 | 1.90 |
| 5 | Jain Punit Shantilal | Non-Promoter | N.A. | 0 | 0.00 | 1,25,00,000 | 1,25,00,000 | 1.90 |
| 6 | Jitendra Kapilrai Joshi | Non-Promoter | N.A. | 0 | 0.00 | 1,25,00,000 | 1,25,00,000 | 1.90 |

| | | | | | | | | |
|---|-------------------------|--------------|------|---|------|-----------|-----------|------|
| 7 | Hardik Dilipkumar Mehta | Non-Promoter | N.A. | 0 | 0.00 | 93,75,000 | 93,75,000 | 1.42 |
| 8 | Jalpa Chiragkumar Jani | Non-Promoter | N.A. | 0 | 0.00 | 93,75,000 | 93,75,000 | 1.42 |

** Considered only after allotment of equity shares in cash*

21. The percentage of post preferential issue capital that may be held by the allottee and change in control, if any, in the issuer consequent to the preferential issue:

The percentage of post preferential issue capital that may be held by the Proposed Allottees and change in control, if any in the Company consequent to the preferential issue is as below:

| Sr. No. | Proposed Allottee subscribing to the Shares | Category | Natural persons who are the ultimate beneficial owners | Pre-Issue shareholding | | No. of Shares to be allotted | *Post issue shareholding | |
|---------|---|--------------|--|------------------------|-------------------|------------------------------|--------------------------|-------------------|
| | | | | No. of Shares | % of Shareholding | | No. of Shares | % of Shareholding |
| 1 | Dipna Keyur Shah | Promoter | N.A. | 2,500 | 0.00 | 2,50,00,000 | 2,50,02,500 | 3.80 |
| 2 | Saumil Ashokbhai Shah | Non-Promoter | N.A. | 100 | 0.00 | 1,25,00,000 | 1,25,00,100 | 1.90 |
| 3 | Saurabh Kamaleshbhai Shah | Non-Promoter | N.A. | 100 | 0.00 | 1,87,50,000 | 1,87,50,100 | 2.85 |
| 4 | Manan Vinodkumar Mody | Non-Promoter | N.A. | 0 | 0.00 | 1,25,00,000 | 1,25,00,000 | 1.90 |
| 5 | Jain Punit Shantilal | Non-Promoter | N.A. | 0 | 0.00 | 1,25,00,000 | 1,25,00,000 | 1.90 |
| 6 | Jitendra Kapilraj Joshi | Non-Promoter | N.A. | 0 | 0.00 | 1,25,00,000 | 1,25,00,000 | 1.90 |
| 7 | Hardik Dilipkumar Mehta | Non-Promoter | N.A. | 0 | 0.00 | 93,75,000 | 93,75,000 | 1.42 |
| 8 | Jalpa Chiragkumar Jani | Non-Promoter | N.A. | 0 | 0.00 | 93,75,000 | 93,75,000 | 1.42 |

** Considered only after allotment of equity shares in cash*

There is no change in the management or control of the Company pursuant to the aforesaid issue and allotment of the Equity Shares.

22. The current and proposed status of the allottee post the preferential issues namely, promoter or non-promoter:

The Current and proposed status of the Proposed Allottees post the preferential issue is as follows:

| Sr. No. | Name of Proposed Allottee | No. of shares | % of post preferential* | Current Status | Proposed Status |
|--------------|---------------------------|---------------------|-------------------------|----------------|-----------------|
| 1. | Dipna Keyur Shah | 2,50,02,500 | 3.80 | Promoter | Promoter |
| 2. | Saumil Ashokbhai Shah | 1,25,00,100 | 1.90 | Non-Promoter | Non-Promoter |
| 3. | Saumil Ashokbhai Shah | 1,87,50,100 | 2.85 | Non-Promoter | Non-Promoter |
| 4. | Manan Vinodkumar Mody | 1,25,00,000 | 1.90 | Non-Promoter | Non-Promoter |
| 5. | Jain Punit Shantilal | 1,25,00,000 | 1.90 | Non-Promoter | Non-Promoter |
| 6. | Jitendra Kapilraj Joshi | 1,25,00,000 | 1.90 | Non-Promoter | Non-Promoter |
| 7. | Hardik Dilipkumar Mehta | 93,75,000 | 1.42 | Non-Promoter | Non-Promoter |
| 8. | Jalpa Chiragkumar Jani | 93,75,000 | 1.42 | Non-Promoter | Non-Promoter |
| Total | | 11,25,00,000 | | | |

** Considered only after allotment of equity shares in cash*

23. Practicing Company Secretary's Certificate:

A certificate from Mr. Gaurav Vasudev Bachani, Practicing Company Secretary, certifying that the issue of Equity Shares is being made in accordance with requirements of ICDR Regulations and is available for inspection at the General Meeting of the members. The same is also available at the website of the Company at <https://dipnapharmachem.com/>.

24. **Undertaking:**

- a. Neither the Company, nor any of its directors and/ or Promoters have been declared as wilful defaulter or a fraudulent borrower as defined under the SEBI ICDR Regulations. Consequently, the disclosures required under Regulation 163(1)(i) of the SEBI ICDR Regulations are not applicable.
- b. Neither the Company nor any of its directors and/ or Promoters are a fugitive economic offender as defined under the SEBI ICDR Regulations.
- c. The Company is in compliance with the conditions for continuous listing and is eligible to make the preferential issue under Chapter V of the SEBI ICDR Regulations.
- d. The Proposed Allottees have confirmed that they have not sold any equity shares of the Company during the 90 trading days preceding the Relevant Date.
- e. The Company shall re-compute the price of the relevant securities to be allotted under the preferential allotment in terms of the provisions of SEBI ICDR Regulations, if it is required to do so, including pursuant to Regulation 166 of the SEBI ICDR Regulations, if required. If the amount payable on account of the re-computation of price is not paid within the time stipulated in SEBI ICDR Regulations, the relevant securities to be allotted under the preferential issue shall continue to be locked-in till the time such amount is paid.*
- f. The allotment of warrants does not require making of a public offer as it is below the prescribed threshold limit for making of a public offer in terms of the SEBI (ICDR) Regulations.
- g. Due to above preferential allotment of the warrants, no change in management control is contemplated. The aforesaid allottee(s) shall be required to comply with the relevant provisions of the SEBI (ICDR) Regulations.
- h. The Company has complied with the requirement of listing obligation i.e., maintaining a minimum of 25% of the paid-up capital in the hands of the public.

*Since the Company's Equity Shares are listed on recognized Stock Exchange for a period of more than 90 Trading days prior to the Relevant Date, the Company is neither required to re-compute the price nor is required to submit an undertaking as specified under applicable provisions of SEBI ICDR Regulations.

The approval of the Members is being sought to enable the Board to issue and allot the warrants (**"Convertible warrants"**) on a preferential basis, to the extent and in the manner as set out in the resolution and the explanatory statement.

Except the proposed allottees, none of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are deemed to be concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

The Board, accordingly, recommends passing of the Special Resolution as set out in Item No. 7 of this Notice, for the approval of the Members.

Registered Office:

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

**By the Order of the Board of
Dipna Pharmaceuticals Limited**

Place: Ahmedabad
Date: 29th July, 2024

**Sd/-
Keyur Shah
Managing Director
DIN: 03167258**

ANNEXURE

Relevant details as stipulated under Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India, in respect of directors seeking appointment / reappointment as director under Item No. 2 is as under:

| | |
|---|---|
| Name of the Director | Ms. Dipna Keyur Shah (DIN: 02507462) |
| Date of Birth | 11/11/1978 |
| Date of first Appointment on the Board | 19/07/2011 |
| Qualifications | Bachelor of Commerce |
| Experience/Brief Resume/ Nature of expertise in specific functional areas; | Experience of more than 10 years in the trading segment of pharma and chemical business. She has in-depth knowledge in the field of Accounts and Finance |
| Terms and Conditions of Appointment along with remuneration sought to be paid | N.A. |
| Remuneration last drawn by such person, if any | Nilf |
| No. of Shares held in the Company as on 31 st March, 2024. | 2500 Equity Shares |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company/ Disclosure of relationships between directors inter-se; | Ms. Dipna Shah is Wife of Mr. Keyur Shah |
| Number of Meetings of the Board attended during the year | 15 Board Meetings |
| Directorship / Designated Partner in other Companies / LLPs | 1. Dhara Pharmachem Private Limited 2. Dipan Pharmachem Private Limited |
| Chairman/Member of the Committees of Board of other Companies/ Names of listed entities in which the person also holds the directorship and the membership of the Committees of the board | Ms. Dipna Shah is Member in Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee. |

DIRECTOR'S REPORT

To,
The Members,
Dipna Pharmachem Limited

Your Directors present the 13th Board's Report on the Business and Operations of the Company together with the Audited Financial Statement and the Auditor's Report for the Financial Year ended on 31st March, 2024.

1. FINANCIAL RESULTS:

The financial performance of the Company for the Financial Year ended on 31st March, 2024 and for the previous financial year ended on 31st March, 2023 is given below:

| Particulars | (Rs. in Lakhs) | |
|---|-----------------|----------------|
| | 2023-24 | 2022-23 |
| Revenue from Operations | 16433.71 | 9992.72 |
| Other Income | 0.40 | 0.63 |
| Total Revenue | 16434.11 | 9993.35 |
| Total Expenses | 16292.17 | 9855.22 |
| Profit / Loss before Depreciation, Exceptional and Extra Ordinary Items and Tax Expenses | 143.64 | 139.30 |
| Less: Depreciation / Amortization / Impairment | 1.70 | 1.17 |
| Profit / Loss before Exceptional and Extra Ordinary Items and Tax Expenses | 141.93 | 138.13 |
| Add / Less: Exceptional and Extra Ordinary Items | 0 | 0 |
| Profit / Loss before Tax Expenses | 141.93 | 138.13 |
| Less: Tax Expense | | |
| Current Tax | 33.60 | 47.00 |
| Deferred Tax | (0.19) | (0.06) |
| Profit / Loss for the Period | 108.53 | 91.19 |

2. OPERATIONS:

Total revenue for Financial Year 2023-24 is Rs. 16433.11 Lakhs compared to the total revenue of Rs. 9992.72 Lakhs of previous Financial Year. The Company has incurred Profit before tax for the Financial Year 2023-24 of Rs. 141.93 Lakhs as compared to Profit before tax of Rs. 138.13 Lakhs of previous Financial Year. Net Profit after Tax for the Financial Year 2023-24 is Rs. 108.53 Lakhs as against Net Profit after tax of Rs. 91.19 Lakhs of previous Financial Year. The Directors are continuously looking for the new avenues for future growth of the Company and expect more growth in the future period.

3. CHANGE IN NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business during the year under review.

4. DIVIDEND:

To conserve the resources for future prospect and growth of the Company, your Directors do not recommend any dividend for the Financial Year 2023-24 (Previous year - Nil).

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund ("IEPF"). During the year under review, there was no unpaid or unclaimed dividend in the "Unpaid Dividend Account" lying for a period of seven years from the date of transfer of such unpaid dividend to the said account. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund.

6. TRANSFER TO RESERVES:

The profit of the Company for the Financial Year ending on 31st March, 2024 is transferred to profit and loss account of the Company under Reserves and Surplus.

7. WEBLINK OF ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 is available on the Company's website at www.dipnapharmachem.com

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT:

• Allotment of Shares on Rights Issue Basis:

Allotment of 1,20,75,250 (One Crore Twenty Lakhs Seventy-Five Thousand Two Hundred and Fifty) Equity Shares having face value of Rs. 10.00/- (Rupees Ten Only) each on a Rights basis to the eligible equity shareholders of the Company at a price of Rs. 10.00/- (Rupees Ten Only) per equity share in the ratio of 13:12 i.e. 13 (Thirteen) Rights Equity shares for every 12 (Twelve) fully paid-up Equity shares held by the eligible equity shareholders as on the Record date i.e. Monday, 12th February, 2024. The said allotment was pursuant to the Letter of Offer dated 15th February, 2024 and the Basis of Allotment as approved by BSE Limited ("BSE"), the Designated Stock Exchange for this issue. Consequent to the said allotment, the Paid-up Equity Share Capital of the Company increased from Rs. 11,97,00,000/- to Rs. 24,04,52,500/-.

9. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There are no significant material orders passed by the Regulators or Courts or Tribunal, which would impact the going concern status of the Company and its future operation.

10. MEETINGS OF THE BOARD OF DIRECTORS:

The Directors of the Company met at regular intervals at least once in a quarter with the gap between two meetings not exceeding 120 days to take a view of the Company's policies and strategies apart from the Board Matters.

During the year under the review, the Board of Directors met 15 (Fifteen) times viz. 29th April, 2023, 30th May, 2023, 15th June, 2023, 30th June, 2023, 10th July, 2023, 6th September, 2023, 18th October, 2023, 8th December, 2023, 15th December, 2023, 31st January, 2024, 15th February, 2024, 6th March, 2024, 15th March, 2024, 19th March, 2024 and 29th March, 2024.

11. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134 (3)(c) and Section 134(5) of the Companies Act, 2013, to the best of their knowledge and belief the Board of Directors hereby submit that:

- a. In the preparation of the Annual Accounts, for the year ended on 31st March, 2023 the applicable accounting standards have been followed and there are no material departure from the same;
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the loss of the Company for the financial year ended on 31st March, 2024.
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the Annual Accounts on a going concern basis;
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of section 135 of the Companies Act, 2013 is not applicable to your Company as the Company does not fall under the criteria limits mentioned in the said section of the Act.

Hence, the Company has not taken voluntary initiative towards any activity mentioned for Corporate Social Responsibility.

13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report as required under Regulation 34 and Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report, and provides the Company's current working and future outlook as per **Annexure I**.

14. DISCLOSURES RELATING TO HOLDING / SUBSIDIARY, ASSOCIATE COMPANY AND JOINT VENTURES:

The Company does not have any Holding / Subsidiary/Associate Company and Joint Venture.

15. VIGIL MECHANISM:

During the year under review, the Company did not accept any deposits from the public and not borrowed money from the Banks and Public Financial Institutions. Accordingly, provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 does not apply to the Company.

16. SECRETARIAL STANDARDS:

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI). The Company has devised proper systems to ensure compliance with its provisions and is in compliance with the same.

17. STATEMENT ON ANNUAL EVALUATION MADE BY THE BOARD OF DIRECTORS:

The Board evaluated the effectiveness of its functioning, that of the Committees and of individual Directors, pursuant to the provisions of the Act and SEBI Listing Regulations. The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- Structure, composition, and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board / Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Chairman of the Board had one-on-one meetings with each Independent Director and the Chairman of NRC had one-on-one meetings with each Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/ Committee processes.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole, and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Nomination and Remuneration Committee reviewed the performance of the individual directors and the Board as a whole.

In the Board meeting that followed the meeting of the independent directors and the meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was discussed.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and the Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management, and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities and fiduciary duties.

The Board carried out an annual performance evaluation of its own performance and that of its committees and individual directors as per the formal mechanism for such evaluation adopted by the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee.

The performance evaluation of the Chairman, the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The exercise of performance evaluation was carried out through a structured evaluation process covering various aspects of the Board

functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board by way of individual feedback from directors.

The evaluation frameworks were the following key areas:

a) For Non-Executive & Independent Directors:

- Knowledge
- Professional Conduct
- Comply Secretarial Standard issued by ICSI Duties
- Role and functions

b) For Executive Directors:

- Performance as leader
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set investment goal
- Professional conduct and integrity
- Sharing of information with Board.
- Adherence applicable government law

The Directors expressed their satisfaction with the evaluation process.

18. DETAILS OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL CONTROL:

The Company has in place adequate internal financial controls with reference to financial statement across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness. During the financial year, such controls were tested and no reportable material weaknesses in the design or operations were observed. The Statutory Auditors of the Company also test the effectiveness of Internal Financial Controls in accordance with the requisite standards prescribed by ICAI. Their expressed opinion forms part of the Independent Auditor's report.

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitized and embedded in the business processes.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

During the year, no reportable material weakness was observed.

19. REPORTING OF FRAUDS BY THE AUDITORS:

During the year under review, neither the Statutory nor the Secretarial Auditors has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any instances of fraud

committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The details of loans, investment, guarantees and securities covered under the provisions of section 186 of the Companies Act, 2013 are provided in the financial statement.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All the transactions to be entered by the Company with related parties will be in the ordinary course of business and on an arm's length basis. Further, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014, in Form No. AOC-2 is enclosed herewith as **Annexure II**.

22. MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES:

a) Vigil Mechanism / Whistle Blower Policy:

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

b) Business Conduct Policy:

The Company has framed "Business Conduct Policy". Every employee is required to review and sign the policy at the time of joining and an undertaking shall be given for adherence to the Policy. The objective of the Policy is to conduct the business in an honest, transparent and in an ethical manner. The policy provides for anti-bribery and avoidance of other corruption practices by the employees of the Company.

23. RESERVES & SURPLUS:

| | | (Amount in Lakhs) |
|--------------|--------------------------------------|-------------------|
| Sr. No. | Particulars | Amount |
| 1. | Balance at the beginning of the year | 106.25 |
| 2. | Current Year's Profit / (Loss) | 108.53 |
| 3. | Allotment of Bonus Shares | - |
| 4. | Amount of Securities Premium | 1132.56 |
| Total | | 1347.34 |

24. FOREIGN EXCHANGE EARNINGS AND OUTGO:

| Foreign exchange earnings and outgo | | F.Y. 2023-24 | F.Y. 2022-23 |
|-------------------------------------|---------------------------------|--------------|--------------|
| a. | Foreign exchange earnings | Nil | Nil |
| b. | CIF value of imports | Nil | Nil |
| c. | Expenditure in foreign currency | Nil | Nil |

25. PARTICULARS OF EMPLOYEES:

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company as none of the Employees of the Company has received remuneration above the limits specified in the Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 during the financial year 2023-24.

26. LOANS FROM DIRECTOR / RELATIVE OF DIRECTOR:

During the year under review, the Company has not entered into any materially significant related party transactions which may have potential conflict with the interest of the Company at large. Suitable disclosures as required are provided in AS-18 which is forming the part of the notes to financial statement.

27. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Directors and Key Managerial Personnel of the Company are summarized below as on date:

| Sr. No. | Name | Designation | DIN |
|----------------|---|--|------------|
| 1. | Keyur Dipakkumar Shah | Managing Director | 03167258 |
| 2. | Dipna Keyur Shah | Non-Executive Director | 02507462 |
| 3. | Nandish Shaileshbhai Jani | Independent Director | 09565657 |
| 4. | Jitendra Pradipbhai Parmar | Independent Director | 09699769 |
| 5. | Keyur Nitinbhai Parmar | Chief Financial Officer | CPIP7541D |
| 6. | Madhuri Vijaykumar Gurwani ¹ | Company Secretary and Compliance Officer | BQKPG3873L |

¹Madhuri Vijaykumar Gurwani has appointed as Company Secretary and Compliance Officer of the Company w.e.f. 15th December, 2023.

There has been change in the composition of the Board of Directors of the Company during the Financial Year 2023-24 and till the date of Board's Report.

As per Companies Act, 2013 the Independent Directors are not liable to retire by rotation.

28. DECLARATION BY INDEPENDENT DIRECTORS:

Mr. Nandish Jani and Mr. Jitendra Parmar Independent Directors of the Company has confirmed to the Board that he meets the criteria of Independence as specified under Section 149 (6) of the Companies Act, 2013 and he qualifies to be an Independent Director. He has also confirmed that he meets the requirement of Independent Director as mentioned under Regulation 16 (1) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The confirmations were noted by the Board.

29. CORPORATE GOVERNANCE:

Since the Company has listed its specified securities on the SME Exchange therefore by virtue of Regulation 15 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V are not applicable to the Company. Hence, Corporate Governance does not form part of this Board's Report.

30. DEPOSITS:

As per Section 73 of the Companies Act, 2013, the Company has neither accepted nor renewed any deposits during the financial year. Hence, the Company has not defaulted in repayment of deposits or payment of interest during the financial year.

31. AUDITOR:

A. Statutory Auditor:

M/s. Devadiya & Associates, Chartered Accountants, (FRN: 123045W), Ahmedabad, were appointed as Statutory Auditors of the Company for the Financial Year 2023-2024.

Company has received a written confirmation from M/s. Devadiya & Associates, Chartered Accountants, (FRN: 123045W), Ahmedabad, to the effect that their appointment, if made, would satisfy the criteria provided in Section 141 of the Companies Act, 2013 and the Rules framed there under for re-appointment as Auditors of your Company.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with your Company as well as declaring that they have not taken up any prohibited non-audit assignments for your Company. The Audit Committee reviews the independence of the Auditors and the effectiveness of the Audit Process.

B. Secretarial Auditor:

The Board of Directors pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed Mr. Darshan Kinkhabwala, Proprietor of M/s. Kinkhabwala & Associates, Company Secretaries, Ahmedabad, as a Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2023-24.

The Secretarial Audit Report for the Financial Year 2023-24 is annexed herewith as **Annexure III** in Form MR-3. There are no adverse observations in the Secretarial Audit Report which call for explanation.

C. Internal Auditor:

The Board of directors has appointed M/s. B S Jain & Co., (FRN: 132174W) Chartered Accountants, Ahmedabad as the internal auditor of the Company. The Internal Auditor conducts the internal audit of the functions and operations of the Company and reports to the Audit Committee and Board from time to time.

32. DISCLOSURES:

A. Composition of Audit Committee:

During the year under review, meetings of members of the Audit committee as tabulated below, was held on 10th July, 2023, 6th September, 2023, 18th October, 2023, and 15th February, 2024 the attendance records of the members of the Committee are as follows:

| Name | Status | No. of the Committee Meetings entitled | No. of the Committee Meetings attended |
|----------------------------|----------|--|--|
| Nandish Shaileshbhai Jani | Chairman | 4 | 4 |
| Dipna Keyur Shah | Member | 4 | 4 |
| Jitendra Pradipbhai Parmar | Member | 4 | 4 |

During the year all the recommendations made by the Audit Committee were accepted by the Board.

B. Composition of Stakeholders' Relationship Committee:

During the year under review, meetings of members of Stakeholders' Relationship committee as tabulated below, was held on 6th September, 2023 and 8th December, 2023 and the attendance records of the members of the Committee are as follows:

| Name | Status | No. of the Committee Meetings entitled | No. of the Committee Meetings attended |
|----------------------------|----------|--|--|
| Nandish Shaileshbhai Jani | Chairman | 2 | 2 |
| Dipna Keyur Shah | Member | 2 | 2 |
| Jitendra Pradipbhai Parmar | Member | 2 | 2 |

C. Composition of Nomination and Remuneration Committee:

During the year under review, meetings of members of Nomination and Remuneration committee as tabulated below, was held on 29th April, 2023 and 15th December, 2023 and the attendance records of the members of the Committee are as follows:

| Name | Status | No. of the Committee Meetings entitled | No. of the Committee Meetings attended |
|----------------------------|----------|--|--|
| Nandish Shaileshbhai Jani | Chairman | 2 | 2 |
| Dipna Keyur Shah | Member | 2 | 2 |
| Jitendra Pradipbhai Parmar | Member | 2 | 2 |

33. INDEPENDENT DIRECTOR:

Separate meetings of the Independent Directors of the Company were held on 31st March, 2024 to discuss the agenda items as prescribed under applicable laws. All Independent Directors have attended the said meeting. In the opinion of the Board, all the Independent Directors fulfil the conditions of Independence as defined under the Companies Act, 2013 and SEBI (LODR), 2015 and are independent of the management of the Company.

34. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has always been committed to provide a safe and conducive work environment to its employees. Your directors further state that during the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as confirmed by the Internal Complaints Committee as constituted by the Company.

35. DEMATERIALISATION OF EQUITY SHARES:

As per direction of the SEBI, the shares of the Company are under compulsory demat form. The Company has established connectivity with both the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited and the Demat activation number allotted to the Company is ISIN: INE0MC401013. Presently shares are held in electronic mode.

36. INDUSTRIAL RELATIONS:

The Directors are pleased to report that the relations between the employees and the management continued to remain cordial during the year under review.

37. MAINTENANCE OF COST RECORDS:

The provisions relating to maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, are not applicable to the Company and accordingly such accounts and records are not required to be maintained.

38. DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE:

During the year under review, there were no application made or any proceeding pending in the name of the company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

39. EXPLANATIONS/COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:

i. Auditors' Report:

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

ii. Secretarial Auditor's Report:

The observations of the Secretarial Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

40. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice and is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company has made adequate disclosures to the members on the remuneration paid to Directors from time to time. The Company's Policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178 (3) of the Act is available on the website of the Company at www.dipnapharmachem.com.

41. STATE OF COMPANY'S AFFAIRS:

Management Discussion and Analysis Report for the year under review, as stipulated in Regulation 34(2) (e) of SEBI Listing Regulations is given as a separate part of the Annual Report. It contains a detailed write up and explanation about the performance of the Company.

42. FORMAL ANNUAL EVALUATION PROCESS BY BOARD:

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder, the Board has carried the evaluation of its own performance, performance of Individual Directors, Board Committees, including the Chairman of the Board on the basis of attendance, contribution towards development of the Business and various other criteria as recommended by the Nomination and Remuneration Committee of the Company. The evaluation of the working of the Board, its committees, experience and expertise, performance of specific duties and obligations etc. were carried out. The Directors expressed their satisfaction with the evaluation process and outcome.

43. THE DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ONE TIME SETTLEMENT AND THE VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS:

During the year under review, there has been no one time settlement of Loans taken from Banks and Financial Institutions.

44. ACKNOWLEDGEMENTS:

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory Bodies, Stakeholders including Financial Institutions, Suppliers, Customers and other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by all executives, officers and staff at all levels of the Company. We look forward for the continued support of every stakeholder in the future.

Registered Office:

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

**By the Order of the Board of
Dipna Pharmachem Limited**

Place: Ahmedabad
Date: 29th July, 2024

**Sd/-
Keyur Shah
Managing Director
DIN: 03167258**

**Sd/-
Dipna Shah
Director
DIN: 02507462**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Global Economic Outlook:

Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024. While the forecast for 2023 is modestly higher than predicted in the April 2023 World Economic Outlook (WEO), it remains weak by historical standards. The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to fall from 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward.

The recent resolution of the US debt ceiling standoff and, earlier this year, strong action by authorities to contain turbulence in US and Swiss banking, reduced the immediate risks of financial sector turmoil. This moderated adverse risks to the outlook. However, the balance of risks to global growth remains tilted to the downside. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. Financial sector turbulence could resume as markets adjust to further policy tightening by central banks. China's recovery could slow, in part as a result of unresolved real estate problems, with negative cross-border spillovers. Sovereign debt distress could spread to a wider group of economies. On the upside, inflation could fall faster than expected, reducing the need for tight monetary policy, and domestic demand could again prove more resilient.

In most economies, the priority remains achieving sustained disinflation while ensuring financial stability. Therefore, central banks should remain focused on restoring price stability and strengthening financial supervision and risk monitoring. Should market strains materialize, countries should provide liquidity promptly while mitigating the possibility of moral hazard. They should also build fiscal buffers, with the composition of fiscal adjustment ensuring targeted support for the most vulnerable. Improvements to the supply side of the economy would facilitate fiscal consolidation and a smoother decline of inflation toward target levels.

Global growth is projected to fall from 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024 on an annual average basis (Table 1). Compared with projections in the April 2023 WEO, growth has been upgraded by 0.2 percentage point for 2023, with no change for 2024. The forecast for 2023–24 remains well below the historical (2000–19) annual average of 3.8 percent. It is also below the historical average across broad income groups, in overall GDP as well as per capita GDP terms. Advanced economies continue to drive the decline in growth from 2022 to 2023, with weaker manufacturing, as well as idiosyncratic factors, offsetting stronger services activity. In emerging market and developing economies, the growth outlook is broadly stable for 2023 and 2024, although with notable shifts across regions. On a year-over-year basis, global growth bottomed out in the fourth quarter of 2022. However, in some major economies, it is not expected to bottom out before the second half of 2023.

B. Overview of the Indian Economy:

This year began with the anticipation that runaway inflation, aggressive policy rate hikes, and high commodity prices might topple a few major economies into recession in 2023. We are halfway past 2023 and, while the world is still in the woods, the probability of a recession this year has trimmed. Labor markets in several advanced countries remain tight, while the largest economy, the United States, is seeing a rebound in consumer confidence and spending. Risk spreads are declining on both sides of the Atlantic after the recent banking crisis in the United States.

India, meanwhile, enjoys a Goldilocks moment as it sees its economic activity gaining momentum amid continuing global uncertainties. The last quarter's GDP data was pleasantly surprising but not completely unexpected. The GDP growth in the fourth quarter has pushed up the full-year GDP growth of FY2022–23 to 7.2%, 200 basis points (bps) higher than the earlier estimate. The recently released Annual Economic Review for the month of May 2023 highlighted that the postpandemic quarterly trajectories of consumption and investment have crossed prepandemic levels.

Evidently, economists and analysts are bullish about the Indian economy. Our growth forecasts for FY2023–24 remain similar to our April forecast, although higher-than-expected growth in FY2022–23 has raised our base for comparison. That said, we have raised our lower limit of the range given the buoyancy of the economy. We expect India to grow between 6% and 6.3% in FY2023–24 and have a stronger outlook thereafter. In fact, if global uncertainties recede, we expect growth to surpass 7% over the next two years.

There are multiple downside risks to our forecasts, but we find the uncertainties around the actions of the central banks of major economies and the oil price movements this past quarter particularly interesting. In this edition, we highlight the significance of these developments and their future implications for India.

C. Indian Chemical Industry:

India is the largest provider of generic drugs globally and is known for its affordable vaccines and generic medications. The Indian Pharmaceutical industry is currently ranked third in pharmaceutical production by volume after evolving over time into a thriving industry growing at a CAGR of 9.43% since the past nine years. Generic drugs, over-the-counter medications, bulk drugs, vaccines, contract research & manufacturing, biosimilars, and biologics are some of the major segments of the Indian pharma industry. India has the most number of pharmaceutical manufacturing facilities that are in compliance with the US Food and Drug Administration (USFDA) and has 500 API producers that make for around 8% of the worldwide API market.

Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired

Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms. India is rightfully known as the "pharmacy of the world" due to the low cost and high quality of its medicines.

Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. Transformed over the years as a vibrant sector, presently Indian Pharma ranks third in pharmaceutical production by volume. The Pharmaceutical industry in India is the third largest in the world in terms of volume and 14th largest in terms of value. The Pharma sector currently contributes to around 1.72% of the country's GDP.

According to a recent EY FICCI report, as there has been a growing consensus over providing new innovative therapies to patients, Indian pharmaceutical market is estimated to touch US\$ 130 billion in value by the end of 2030. Meanwhile, the global market size of pharmaceutical products is estimated to cross over the US\$ 1 trillion mark in 2023.

D. Opportunities and Threats:

Opportunities:

- India's specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas
- With global companies seeking to de-risk their supply chains, which are dependent on China, the chemical sector in India has the opportunity for a significant growth.
- Premiumisation and access to global brands
- 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.
- Expanding Beauty and Personal Care Categories
- Expansion of Digital Innovation along with online Expansion

Threats:

- The competition has increased from Domestic and other developed countries.
- Because firms can enter and quit an industry with few limitations, the number of substitutes in the same product line at different prices poses a risk of losing the investor base.
- Threats for this Industry are very common and every person is aware of the threats and the risks involved with this Industry.
- Marketplace scale in industry.

E. Segment-wise or Product-wise performance:

The Company is primarily engaged in single segment i.e. Pharmaceutical Trading.

F. Future Outlook:

The Company presents the analysis of the Company for the year 2023-24 & its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic & other developments, both in India and abroad.

G. Internal control systems and their adequacy:

The Company has taken adequate preventive and precautionary measures to overcome all negative factors responsible for low trend to ensure steady growth.

H. Discussion on financial performance with respect to operational performance:

The financial performance of the Company for the Financial Year 2023-24 is described in the Directors' Report of the Company.

I. Material developments in Human Resources / Industrial Relations front including number of people employed:

The cordial employer - employee relationship also continued during the year under the review. The Company has continued to give special attention to human resources.

J. MATERIAL FINANCIAL AND COMMERCIAL TRANSACTIONS:

During the year there were no material financial or commercial transactions.

K. KEY FINANCIAL RATIOS:

In accordance with the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2018 (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in Key sector-specific financial ratios. In this regard, the Company has no significant changes in any key sector-specific financial ratios to report.

L. HUMAN RESOURCES:

These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company operations include global and domestic demand supply conditions, Government regulations, tax regimes, economic developments and other factors such as litigation and business relations.

M. CAUTION STATEMENT:

Statements made in the Management Discussion and Analysis describing the various parts may be “forward looking statement” within the meaning of applicable securities laws and regulations. The actual results may differ from those expectations depending upon the economic conditions, changes in Government. Regulations and amendments in tax laws and other internal and external factors.

Registered Office:

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**By the Order of the Board of
Dipna Pharmachem Limited**

Place: Ahmedabad
Date: 29th July, 2024

**Sd/-
Keyur Shah
Managing Director
DIN: 03167258**

**Sd/-
Dipna Shah
Director
DIN: 02507462**

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arms' length basis.

2. Details of material contracts or arrangements or transactions at Arm's length basis.

(Amount in Lakhs)

| Name (s) of the related party | Nature of relationship | Nature of contracts/ arrangements/ transaction | Duration of the contracts/ arrangements/ transaction | Salient terms of the contracts or arrangements or transaction including the value, if any | Date of approval by the Board, if any | Amount paid as advances, if any |
|-------------------------------|--|--|---|---|---------------------------------------|---------------------------------|
| Dhara Chemical Rudrapur | Entity in which KPM/Relative of KMP having significant influence | Sale of Goods | 1 st April, 2023 to 31 st March, 2024 | Rs. 69.92/- | As per note below | As per note below |
| Dhara Chemical | Entity in which KPM/Relative of KMP having significant influence | Sale of Goods | 1 st April, 2023 to 31 st March, 2024 | Rs. 173.90/- | As per note below | As per note below |
| Cedac Medicorp | Entity in which KPM/Relative of KMP having significant influence | Sale of Goods | 1 st April, 2023 to 31 st March, 2024 | Rs. 53.14/- | As per note below | As per note below |
| Diphan Pharmachem | Entity in which KPM/Relative of KMP having significant influence | Sale of Goods | 1 st April, 2023 to 31 st March, 2024 | Rs. 37.17/- | As per note below | As per note below |

Note: Appropriate approvals have been taken for related party transactions wherever necessary. No amount was paid in advance.

Registered Office:

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Ahmedabad - 380 055

**By the Order of the Board
Dipna Pharmachem Limited**

Sd/-
Keyur Shah
Managing Director
DIN: 03167258

Sd/-
Dipna Shah
Director
DIN: 02507462

Place: Ahmedabad
Date: 29th July, 2024

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Dipna Pharmachem Limited
CIN: L24100GJ2011PLC066400

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dipna Pharmachem Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit; we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 -;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -Not Applicable as the Company has not issued any debt securities during the year under review;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-Not Applicable as the securities of the Company have not been delisted from any Stock Exchange during the year under review;

- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 - Not Applicable as the Company has not bought – back any of its securities during the year under review;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- i. Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time.
- ii. The Uniform Listing Agreement entered into by the Company with BSE Limited.

During the Audit period under review, the Company has complied with all material aspects of the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above except for the below mentioned:

1. *Company has not given details of Auditor appointment in BSE as per Format specified by SEBI.*
2. *All data has mentioned in Financial Statement in Annual Report for F.Y 2022-2023 are actual which are the violations of company's act 2013.*
3. *Company has given load to related party which is violation of Section 185 of Companies act 2013.*
4. *Company has not uploaded and attached detailed voting results for General meeting held during F.Y 2023-2024 to BSE.*
5. *Promoters of company have sale multiple of shares during the year however same has not reported in timely which are the violation of Regulation of 29 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.*
6. *Company has not file half year MSME for F.Y 2023-2024 as required as per companies Act 2013.*
7. *Company have not intimate appointment of Secretarial auditor and internal auditor of the company to BSE as per regulation of 30 of LODR.*
8. *Company has filed form SH-7 for increase of Authorised share capital after 30 days from members approval.*
9. *In form MGT-7, Instead of Company Secretary the practicing company secretary has signed the form which is violation of companies act 2013.*
10. *Company has not given Annual disclosure in the F.Y 2023-2024 as per SEBI Regulations.*
11. *Company has borrow loan during the F.Y 2023-2024 however MGT-14 forms has not filed.*
12. *Company has not filed Foreign asset and Liability Return (FLA) for F.Y 2022-2023.*

We further report that:

During the audit period under review there were no specific laws which were exclusively applicable to the Company / Industry. However, having regard to the compliance system prevailing in the Company and on examination of relevant documents and records on test - check basis, the Company has complied with the material aspects of the following significant laws applicable to the Company being engaged in the manufacturing activities:

1. Factories Act,1948;
2. Acts prescribed under prevention and control of pollution;
3. Acts prescribed under Environmental protection.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board that took place during the year under review were carried out in compliance of the provisions of Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further

information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of Board of Directors/ Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members' on any of the matters during the year that were required to be captured and recorded as part of the minutes.

We further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines such as Labour Laws, the Trade Marks Act, 1999, the Indian Copyright Act, 1957, the Patents Act, 1970.

We further report that:

The compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, have not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditor(s) and other designated professionals.

We further report that:

During the audit period under review, there were issue of right shares however no instances of:

- a) Issue of new share
- b) Redemption / buy-back of securities;
- c) Obtaining the approval from Shareholders under Section 180 of the Companies Act, 2013;
- d) Merger / amalgamation / reconstruction, etc.;
- e) Foreign technical collaborations.

**FOR KINKHABWALA & ASSOCIATES
COMPANY SECRETARIES**

**DARSHAN KINKHABWALA
PRACTICING COMPANY SECRETARY
PROPRIETOR
ACS No.: 53260 C. P. No.: 21883
P/R No.: 1878/2022
UDIN: A053260F000799885**

**Place: Ahmedabad
Date : July 22, 2024**

Note: This report is to be read with our letter of even date which is annexed as **Annexure – A** and forms an integral part of this report.

ANNEXURE - A

To,
The Members,
Dipna Pharmachem Limited
CIN: L24100GJ2011PLC066400

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR KINKHABWALA & ASSOCIATES
COMPANY SECRETARIES**

**DARSHAN KINKHABWALA
PRACTICING COMPANY SECRETARY
PROPRIETOR**

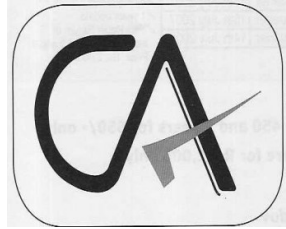
ACS No.: 53260 C. P. No.: 21883

P/R No.: 1878/2022

UDIN: A053260F000799885

Place: Ahmedabad

Date : July 22, 2024



Independent Auditors' Report

To the Members of
Dipna Pharmachem Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Dipna Pharmachem Limited (“the Company”), which comprises the Balance Sheet as at March 31, 2024, Statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’S Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than on Financial Statements and Auditors' Report Thereon

The Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements and Those Charged with Governance for the Financial Statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgements and estimates that are responsible and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board of Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Boards of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, the matter specified in the paragraph 3 and 4 of the Order is applicable to the company for the year under consideration and attached herewith.
2. As required by section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books except for the matters stated in the paragraph 2(j) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.;

- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e) On the basis of written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(j) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g) In pursuance to notification dated 13th June 2017 amending the notification of the Government of India in the Ministry of Corporate Affairs vide no G.S.R 464(E) dated 5th June 2015 reporting on adequacy of Internal Financial Controls over the Financial Reporting of the company is attached herewith in Annexure B.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations for which provision have not been made which would impact its financial position.
 - ii) There are no long-term contracts including derivative contracts and accordingly no provision is required to be made for any loss from the same;
 - iii) The Provisions of transfer of funds to Investor Education and Protection Fund not applicable to the Company.
 - iv) (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- i) No dividend is declared or paid during the year by the Company.

j) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the company has started the feature of recording Audit Trail (edit log) from 12th December, 2023.

3. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For, Devadiya & Associates
Firm Reg. No. 123045W
Chartered Accountants

Date : 12th June, 2024
Place : Ahmedabad
UDIN : 24112495BKGQMW7514

(CA. Sanjay Devadiya)
Partnership Firm
Membership No. 112495

Annexure “A” to the Independent Auditor’s Report

(Referred to in Paragraph 1 under ‘Report on other legal and other regulatory requirements in the Independent Auditor’s Report of even date to the members of **Dipna Pharmachem Limited** (“the Company”) on the Financial Statements for the year ended 31st March 2024). We report that:

- (i) In respect to its fixed assets;
 - a. (A) The company has prepared Property, Plant and Equipment records showing particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The company do not have any Intangible Assets.
 - b. As informed to us, a substantial portion of the Property, Plant and Equipment have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
 - c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) are held in the name of the Company.
 - d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
 - a. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals, except for goods-in-transit. As informed to us there were no material discrepancies noticed on verification between the physical stocks and the book records and any discrepancies found has been properly dealt within the books of accounts.
 - b. The Company has been sanctioned working capital limits in excess of Rs.5 crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company, of the respective quarters.
- (iii) During the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties amounting to Rs. 38,38,53,498/-.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect of grant of loans, making investments and providing guarantees and securities, as applicable. However, the Company has not charged the interest on abovesaid loans as mentioned in above clause (iii).
- (v) In our opinion, and according to the information and explanations given to us, during the year under consideration, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence, reporting under Clause 3(v) of the aforesaid order are not applicable.

- (vi) According to the information and explanation given to us, the company is not required to maintain the Cost Records under section 148 (I) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us and the records of the Company examined by us :
 - (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities except Income Tax and TDS/TCS for the financial year 2022-23 and 2023-24 amounting to Rs. 39,49,938/- and Rs 19,76,187/- respectively.
 - (b) There are no outstanding dues in respect of Income Tax, Goods and Service Tax, Sales Tax, service tax, duty of customs, duty of excise, value added tax or cess etc which have not been deposited/adjusted/reversed on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) a) According to information & explanations given to us, the company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender.
 - b) The company has not been declared willful defaulter by any bank or financial institution or other lender.
 - c) The Company has taken term loan during the year and is applied for the purpose for which the loans were obtained.
 - d) On an overall examination of the financial statements of the Company funds raised on short terms basis have, prima facie, not been used during the year for long term purposes by Company.
 - e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence reporting under Clause 3(ix) (f) of the of the aforesaid order are not applicable.
- x) (a) The Company has raised an amount of money by way of Right Issue of 12075250 Equity Shares of Rs. 10/- each amounting to Rs.12,07,52,500. The Funds raised through Right Issue has been utilized for the Purpose for which it has been raised. The Company has complied with the requirements of Section 62 of Companies Act ,2013.
 - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible). Hence, reporting under Clause 3(x)(b) of the of the aforesaid order are not applicable.
- (xi) (a) According to information & explanations given to us, no material fraud by the company or on the Company has been noticed or reported during the year.

(b) No report under sub section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.

(c) The Company has not received any whistle blower complaints during the year.

(xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the company issued till date, for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) a) According to the information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the paragraph 3(xvi) of the Order is not applicable to the Company.

b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934.

c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence reporting under Clause 3(xvi)(c) of the of the aforesaid order are not applicable.

d) The Group does not have any CIC as part of the Group. Hence reporting under Clause 3(xvi)(d) of the of the aforesaid order are not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The provisions of Section 135 of Company Act are presently not applicable to the Company. Hence reporting under Clause 3(xx) of the of the aforesaid order are not applicable.

(xxi) This report pertains to standalone financial statements. Hence reporting under Clause 3(xxi) of the of the aforesaid order are not applicable.

For, Devadiya & Associates
Firm Reg. No. 123045W
Chartered Accountants

Date : 12th June, 2024
Place : Ahmedabad
UDIN : 24112495BKGQMW7514

(CA. Sanjay Devadiya)
Partnership Firm
Membership No. 112495

Annexure “B” to the Auditors’ Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)

We have audited the internal financial controls over financial reporting of **Dipna Pharmachem Limited** (“the Company”), as of 31 March, 2024, in conjunction with our audit of the financial statements of the Company for the year ended that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibility include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the ‘Guidance Note’) and the Standards of Accounting, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding or internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company,
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Devadiya & Associates
Firm Reg. No. 123045W
Chartered Accountants**

**Date : 12th June, 2024
Place : Ahmedabad
UDIN : 24112495BKGQMW7514**

**(CA. Sanjay Devadiya)
Partnership Firm
Membership No. 112495**

DIPNA PHARMACHEM LIMITED

CIN: L24100GJ2011PLC066400

Regd Office: A/211, Siddhi Vinayak Complex, Near D.A.V. School, Makarba, Ahmedabad, Gujarat, 380055

BALANCE SHEET AS AT 31ST MARCH, 2024

(Rs.In Lakhs)

| Particulars | Note No. | As at 31st March, 2024 | As at 31st March, 2023 |
|---------------------------------------|----------|------------------------|------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 1 | 2404.53 | 1197.00 |
| (b) Reserves and Surplus | 2 | 1347.34 | 1238.81 |
| (2) Non-Current Liabilities | | | |
| (a) Long Term Borrowings | 3 | 1254.70 | 1096.93 |
| (3) Current Liabilities | | | |
| (a) Short Term Borrowings | 4 | 689.80 | 493.83 |
| (b) Trade Payables | 5 | 7453.56 | 3628.26 |
| (c) Other Current Liabilities | 6 | 19.76 | 13.90 |
| (d) Short Term Provisions | 7 | 120.85 | 87.25 |
| Total Equity & Liabilities | | 13290.52 | 7755.97 |
| II. ASSETS | | | |
| (1) Non Current Assets | | | |
| (a) Property, Plant and Equipments | 8 | 3.72 | 3.96 |
| (b) Deferred Tax Assets | | 0.25 | 0.06 |
| (2) Current Assets | | | |
| (a) Inventories - Finished Goods | | 3738.18 | 1894.31 |
| (b) Trade Receivables | 9 | 3093.67 | 2853.18 |
| (c) Cash and cash equivalents | 10 | 1387.83 | 569.23 |
| (d) Other Current Assets | 11 | 5066.87 | 2435.25 |
| Total Assets | | 13290.52 | 7755.97 |

Significant Accounting Policies 18

Notes forming part of accounts 19

FOR DEVADIYA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Reg. No. 123045W)

(SANJAY DEVADIYA)
Partner
Membership No. : 112495
UDIN : 24112495BKGQMW7514

Place : Ahmedabad
Date : 12th June, 2024

For, Dipna Pharmachem Limited

Dipna Shah
Director
DIN : 02507462

Keyur Shah
Managing Director
DIN : 03167258

Keyur Parmar
Chief Financial Officer

Madhuri Gurwani
Company Secretary

DIPNA PHARMACHEM LIMITED

CIN: L24100GJ2011PLC066400

Regd Office: A/211, Siddhi Vinayak Complex, Near D.A.V. School, Makarba, Ahmedabad, Gujarat, 380055

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs.In Lakhs)

| Sr. No | Particulars | Note No. | 2023-24 | 2022-23 |
|-------------|--|-----------|-----------------|----------------|
| I | Revenue from operations | 12 | 16433.71 | 9992.72 |
| | Other Income | 13 | 0.40 | 0.63 |
| II | II. Total Revenue | | 16434.11 | 9993.35 |
| III | Expenses: | | | |
| | Purchase | 14 | 17635.33 | 10813.00 |
| | Changes in inventories | 15 | (1843.87) | (1263.95) |
| | Depreciation | 8 | 1.70 | 1.17 |
| | Direct Expenses | - | - | - |
| | Financial Interest | 16 | 199.61 | 95.64 |
| | Other Expenses | 17 | 299.41 | 209.37 |
| | Total Expenses (III) | | 16292.17 | 9855.22 |
| IV | Profit before exceptional and extraordinary items and tax (II-III) | | 141.93 | 138.13 |
| V | Exceptional Items | | | - |
| VI | Profit before extraordinary items and tax (IV - V) | | 141.93 | 138.13 |
| VII | Extraordinary Items | | | - |
| VIII | Profit before tax (VI - VII) | | 141.93 | 138.13 |
| IX | Tax expense: | | | |
| | (1) Current tax (including earlier years) | | 33.60 | 47.00 |
| | (2) Deferred tax | | (0.19) | (0.06) |
| X | Profit(Loss) from the year from continuing operations | (VIII-IX) | 108.53 | 91.19 |
| XI | Profit/(Loss) from discontinuing operations | | | - |
| XII | Tax expense of discounting operations | | | - |
| XIII | Profit/(Loss) from Discontinuing operations (XI - XII) | | - | - |
| XIV | Profit/(Loss) for the year (X + XIII) | | 108.53 | 91.19 |
| XV | Earning per equity share: | | | |
| | (1) Basic | | 0.90 | 0.76 |
| | (2) Diluted | | 0.90 | 0.76 |

Significant Accounting Policies

18

Notes forming part of accounts

19

FOR DEVADIYA & ASSOCIATES

CHARTERED ACCOUNTANTS

(Firm Reg. No. 123045W)

(SANJAY DEVADIYA)

Partner

Membership No. : 112495

UDIN : 24112495BKGQMW7514

For, Dipna Pharmachem Limited

Dipna Shah

Director

DIN : 02507462

Keyur Shah

Managing Director

DIN : 03167258

Place : Ahmedabad

Date : 12th June, 2024

Keyur Parmar
Chief Financial Officer

Madhuri Gurwani
Company Secretary

DIPNA PHARMACHEM LIMITED

CIN: L24100GJ2011PLC066400

Regd Office: A/211, Siddhi Vinayak Complex, Near D.A.V. School, Makarba, Ahmedabad, Gujarat, 380055

CASH FLOW STATEMENT

| | Year ended 31.03.2024 | Year ended 31.03.2023 |
|--|--------------------------|--------------------------|
| | (Rs.In Lakhs) | (Rs.In Lakhs) |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax & Extraordinary Items | 141.93 | 138.13 |
| Adjustment for | | |
| Depreciation | 1.70 | 1.17 |
| Interest Paid | 199.61 | 95.64 |
| Operating profit before Working Capital Changes | 343.24 | 234.94 |
| Adjustment for | | |
| Trade & Other Receivables | (240.50) | (155.70) |
| Inventories | (1843.87) | (1263.95) |
| Loans & Advances | | - |
| Other Current Assets Trade & | (2631.62) | (2165.11) |
| Other Payables | 3864.76 | 1299.19 |
| Cash used for Operations | (508.00) | (2050.63) |
| Taxes Paid | 33.65 | 47.00 |
| Net Cash from Operating Activities | (541.65) | (2097.63) |
| B. CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| Purchase of Fixed Assets (Net) | (1.46) | (1.01) |
| Net Cash used for Investing Activities | (1.46) | (1.01) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net Proceeds from Borrowings | 353.74 | 571.87 |
| Proceeds from issue of share capital including premium | 1207.53 | 2170.82 |
| Interest Paid | (199.61) | (95.64) |
| Net Cash generated in Financing Activities | 1361.65 | 2647.05 |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | 818.54 | 548.42 |
| Opening Balance of Cash & Cash Equivalents | 569.28 | 20.87 |
| Closing Balance of Cash & Cash Equivalents | 1387.83 | 569.28 |

Notes :

- 1 The above Cash Flow has been compiled from and is based on the Balance sheet as at 31st March, 2024 and the related Profit & Loss Account for the year ended on that date.
- 2 The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting
- 3 Figures in parenthesis represent outflow.
- 4 Previous year's figures have been regrouped, wherever necessary, to confirm current year's presentation.

As per our report of even date attached hereto

For, DEVADIYA & ASSOCIATES
Chartered Accountants
FIRM REG.NO.-:123045W

For, Dipna Pharmachem Limited

(Sanjay Devadiya)
Partner
Membership No. 112495
Date: 12th June, 2024
Place : Ahmedabad
UDIN: 24112495BKGQMW7514

Dipna Shah
Director
DIN : 02507462

Keyur Shah
Managing Director
DIN : 03167258

Keyur Parmar
Chief Financial Officer

Madhuri Gurwani
Company Secretary

DIPNA PHARMACHEM LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2024

Note No.1 Share Capital

| Sr. No | Particulars | (Rs.In Lakhs) | |
|--------|--|---------------------------|---------------------------|
| | | As at 31st March, 2024 | As at 31st March, 2023 |
| 1 | <u>AUTHORIZED CAPITAL</u> 25000000(12000000) Equity Shares of Rs. 10/- each. Add:Increase in Authorised Capital Equity Shares 1.3 Crore having face value of Rs.10 | 2500.00 | 1200.00 |
| | | 2500.00 | 1200.00 |
| 2 | <u>ISSUED , SUBSCRIBED & PAID UP CAPITAL</u> <i>To the Subscribers of the Memorandum</i> 24045250 (11970000) Equity Shares of Rs. 10/- each, Fully Paid up Share capital by allotment having face value of Rs.10 | 2404.53 | 1197.00 |
| | Total | 2404.53 | 1197.00 |

Note No.1.1

Number of shares outstanding at the beginning and at the end of the reporting period is as below ;

| | Particulars | No.of Shares |
|-----|---|--------------|
| | Number of shares outstanding at the beginning of the reporting period | 119.70 |
| ADD | Right Share Being Issued 03/01/2024 | 120.75 |
| | Number of shares outstanding at the end of the reporting period | 240.45 |

Note No.1.2

Shares in the company held by each shareholder holding more than 5 percent shares

| Sr. No. | Name of Shareholder | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---------|-----------------------|------------------------|--------------|------------------------|--------------|
| | | No. of Shares | % of Holding | No. of Shares | % of Holding |
| 1 | Dipna keyur Shah | 2500 | 0.01% | 4884000 | 40.80% |
| 2 | Keyur Dipakkumar Shah | 2397000 | 9.96% | 3083500 | 25.76% |

Note No.1.3

Disclosure of Shareholding of the promoters

| Sr. No. | Name of Shareholder | As at 31st March 2024 | | As at 31st March 2023 | | % Change during the year |
|---------|-----------------------|-----------------------|--------------|-----------------------|--------------|--------------------------------|
| | | No. of Shares | % of Holding | No. of Shares | % of Holding | |
| 1 | Dipna keyur Shah | 2500 | 0.01 | 4884000 | 40.80 | - |
| 2 | Keyur Dipakkumar Shah | 2397000 | 9.97 | 3083500 | 25.76 | - |

Note No.1.4

The Company has one class of Equity share having par value of Rs. 10 per share. Each shareholder is eligible for one vote per

DIPNA PHARMACHEM LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2024

Note No.2 Reserve & Surplus

| Sr. No | Particulars | (Rs.In Lakhs) | |
|--------|---------------------------------|------------------------|------------------------|
| | | As at 31st March, 2024 | As at 31st March, 2023 |
| 1 | Profit and Loss Statements | | |
| | As per last Balance Sheet | 106.25 | 147.85 |
| | Add: Profit for the year | 108.53 | 91.19 |
| | Less: Allotment of Bonus shares | - | (132.80) |
| | Total (A) | 214.78 | 106.25 |
| 2 | Share Premium | | |
| | As per last Balance Sheet | 1132.56 | 22.50 |
| | Add: during the year | - | 1608.06 |
| | Less: Allotment of Bonus shares | - | (498.00) |
| | Total (B) | 1132.56 | 1132.56 |
| | Total (A+B) | 1347.34 | 1238.81 |

Note No.3 Long term Borrowings

| Sr. No | Particulars | (Rs.In Lakhs) | |
|--------|---|------------------------|------------------------|
| | | As at 31st March, 2024 | As at 31st March, 2023 |
| 1 | From Banks (Against Property) | 847.85 | 815.36 |
| 2 | From Banks (against stock and book debts) | 230.28 | 78.50 |
| 3 | From Non-Banking Financial Company | 19.35 | 49.38 |
| | From Non-Banking Financial Company-Growth Source Financial Technology Pvt. Ltd. (against personal property of director) | 150.33 | 144.87 |
| 4 | From Directors and Relatives | 6.90 | 8.82 |
| | Total | 1254.70 | 1096.93 |

Note No.4 Short Term Borrowings

| Sr. No | Particulars | (Rs.In Lakhs) | |
|--------|---|------------------------|------------------------|
| | | As at 31st March, 2024 | As at 31st March, 2023 |
| 1 | From Banks (against stock and book debts) | 578.38 | 364.73 |
| 2 | From Non-Banking Financial Company | 54.77 | 94.86 |
| 3 | From Non-Banking Financial Company-Growth Source Financial Technology Pvt. Ltd. (against personal property of director) | 44.84 | 34.24 |
| 4 | From Directors and Relatives | 1.82 | - |
| 5 | From Other | 10.00 | - |
| | Total | 689.80 | 493.83 |

Note No.5 Trades Payables

| Sr. No | Particulars | (Rs.In Lakhs) | |
|--------|---|------------------------|------------------------|
| | | As at 31st March, 2024 | As at 31st March, 2023 |
| 1 | Sundry Creditors For Goods & Services | | |
| | -total outstanding dues of micro enterprises and small enterprises | | |
| | -less than one year | 4072.98 | 1690.41 |
| | -one to two year | 9.60 | - |
| | -total outstanding dues of creditors other than micro enterprises and small enterprises | 3147.74 | 1833.48 |
| 2 | Advance from Customers | 223.24 | 104.37 |
| | Total | 7453.56 | 3628.26 |

Ageing of Trade Payables as at 31st March, 2024

| Sr. No | Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--------|---------------------------------------|--|-------------|-----------|-------------------|----------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| 1 | Dues to Micro and Small (MSME) | 4072.98 | 9.60 | - | - | 4082.58 |
| 2 | Others | 3314.37 | 0.12 | - | 56.49 | 3370.98 |
| 3 | Disputed | - | - | - | - | - |
| | MSME | - | - | - | - | - |
| | Others | - | - | - | - | - |
| | Total | 7387.35 | 9.71 | - | 56.49 | 7453.56 |

Ageing of Trade Payables as at 31st March, 2023

| Sr. No | Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--------|---------------------------------------|--|--------------|-----------|-------------------|----------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| 1 | Dues to Micro and Small (MSME) | 1690.41 | - | - | - | 1690.41 |
| 2 | Others | 1780.94 | 37.86 | - | 119.05 | 1937.85 |
| 3 | Disputed | - | - | - | - | - |
| | MSME | - | - | - | - | - |
| | Others | - | - | - | - | - |
| | Total | 3471.34 | 37.86 | - | 119.05 | 3628.26 |

Notes: This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date. Hence, disclosure as per MSME Act for interest is not required. These facts have been relied upon by the auditors. The disclosures relating to micro and small enterprises is given in above schedule.

Note No.6 Other Current Liabilities

| Sr. No | Particulars | (Rs.In Lakhs) | |
|--------|-----------------------|------------------------|------------------------|
| | | As at 31st March, 2024 | As at 31st March, 2023 |
| 1 | Statutory Liabilities | | |
| | -GST Payable | - | - |
| | -TCS Payable | 0.30 | - |
| | -TDS Payable | 19.46 | 13.90 |
| | Total | 19.76 | 13.90 |

Note No.7 Short Term Provisions

| Sr. No | Particulars | (Rs.In Lakhs) | |
|--------|--------------------------|------------------------|------------------------|
| | | As at 31st March, 2024 | As at 31st March, 2023 |
| 1 | Provision for Income Tax | 120.85 | 87.25 |
| | Total | 120.85 | 87.25 |

DIPNA PHARMACHEM LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2024

Note No.8 Property, Plant and Equipments

(Rs.In Lakhs)

| No. | Description of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-----|-----------------------|------------------------|-----------|-----------|---------------------|------------------------|-----------|-----------|---------------------|---------------------|---------------------|
| | | Op. Bal. 01.04.2023 | ADDITIONS | DEDUCTION | TOTAL 31.03.2024 | Op. Bal. 01.04.2023 | ADDITIONS | DEDUCTION | TOTAL 31.03.2024 | AS AT 31.03.2024 | AS AT 31.03.2023 |
| 1 | Computer And Printer | 3.39 | 0.21 | - | 3.59 | 2.37 | 0.77 | - | 3.14 | 0.45 | 1.02 |
| 2 | R.O. Kit | 0.15 | - | - | 0.15 | 0.09 | 0.01 | - | 0.11 | 0.04 | 0.06 |
| 3 | Air Conditioner | 0.29 | - | - | 0.29 | 0.18 | 0.03 | - | 0.21 | 0.08 | 0.11 |
| 4 | Furniture & Fixtures | 4.03 | - | - | 4.03 | 2.07 | 0.51 | - | 2.57 | 1.45 | 1.96 |
| 5 | Mobile Account | 1.19 | 1.25 | - | 2.44 | 0.37 | 0.37 | - | 0.75 | 1.69 | 0.81 |
| | Current Year | 9.04 | 1.46 | - | 10.50 | 5.08 | 1.70 | - | 6.78 | 3.72 | 3.96 |
| | Previous Year | 8.03 | 1.01 | - | 9.04 | 3.91 | 1.17 | - | 5.08 | 3.96 | |

DIPNA PHARMACHEM LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2024

Note No.9 Trade Receivables
(Considered Unsecured and Good)

| Sr. No | Particulars | (Rs.in Lakhs) | |
|--------|-----------------|------------------------|------------------------|
| | | As at 31st March, 2024 | As at 31st March, 2023 |
| 1 | Over Six Months | 1615.52 | 1435.57 |
| 2 | Others | 1478.15 | 1417.60 |
| | Total | 3093.67 | 2853.18 |

Ageing of Trade Receivables as at 31st March 2024

| Sr. No | 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 | |
| 1 | Undisputed Trade Receivable-Considered Good | 1478.15 | 557.54 | 364.75 | 364.83 | 328.41 | 3093.67 |
| 2 | Undisputed Trade Receivable-Considered doubtful | - | - | - | - | - | - |
| 3 | Disputed Trade Receivable-Considered Good | - | - | - | - | - | - |
| 4 | Disputed Trade Receivable-Considered doubtful | - | - | - | - | - | - |
| | Total | 1478.15 | 557.54 | 364.75 | 364.83 | 328.41 | 3093.67 |

Ageing of Trade Receivables as at 31st March 2023

| Sr. No | 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 | |
| 1 | Undisputed Trade Receivable-Considered Good | 1417.60 | 380.14 | 526.05 | 529.38 | - | 2853.18 |
| 2 | Undisputed Trade Receivable-Considered doubtful | - | - | - | - | - | - |
| 3 | Disputed Trade Receivable-Considered Good | - | - | - | - | - | - |
| 4 | Disputed Trade Receivable-Considered doubtful | - | - | - | - | - | - |
| | Total | 1417.60 | 380.14 | 526.05 | 529.38 | - | 2853.18 |

Note No.10 Cash & Cash Equivalents

| Sr. No | Particulars | (Rs.in Lakhs) | |
|--------|----------------------------|------------------------|------------------------|
| | | As at 31st March, 2024 | As at 31st March, 2023 |
| 1 | Balances with Banks | | |
| | -in Current Accounts | 1386.57 | 28.85 |
| | -in Fixed Deposit Accounts | - | - |
| | -in Cash Credit Accounts | - | 540.12 |
| 2 | Cash in hand | 1.26 | 0.25 |
| | Total | 1387.83 | 569.23 |

Note No.11 Other Current Assets

| Sr. No | Particulars | (Rs.in Lakhs) | |
|--------|----------------------------------|------------------------|------------------------|
| | | As at 31st March, 2024 | As at 31st March, 2023 |
| 1 | Balance with Revenue Authorities | 353.01 | 106.96 |
| 2 | Loans & Advances | | |
| | - Loans to Related Parties | 3262.11 | 1295.32 |
| | - Loans to Other Parties | 1167.80 | 965.62 |
| 3 | Advance to Parties | 182.35 | 42.56 |
| 4 | Deposit (Assets) | 101.60 | 24.80 |
| | Total | 5066.87 | 2435.25 |

DIPNA PHARMACHEM LIMITED

Notes Forming Part of the Profit & Loss Accounts for the year ended 31st March, 2024

Note No.12 Revenue from Operations

| | | | (Rs.In Lakhs) | |
|--------------|-------------------|-----------------|----------------|--|
| Sr. No | Particulars | 2023-24 | 2022-23 | |
| 1 | Sales | 16396.08 | 9975.19 | |
| 2 | Commission Income | 37.63 | 17.53 | |
| Total | | 16433.71 | 9992.72 | |

Note No.13 Other Income

| | | | (Rs.In Lakhs) | |
|--------------|---------------------------|-------------|---------------|--|
| Sr. No | Particulars | 2023-24 | 2022-23 | |
| 1 | Interest on Fixed deposit | 0.25 | 0.61 | |
| 2 | Mis Income | 0.14 | 0.02 | |
| 3 | Kasar Vataav | 0.00 | 0.00 | |
| Total | | 0.40 | 0.63 | |

Note No.14 Purchase

| | | | (Rs.In Lakhs) | |
|--------------|-------------|-----------------|-----------------|--|
| Sr. No | Particulars | 2023-24 | 2022-23 | |
| 1 | Purchase | 17635.33 | 10813.00 | |
| Total | | 17635.33 | 10813.00 | |

Note No.15 Change in Inventory

| | | | (Rs.In Lakhs) | |
|--------------|---------------------------------|------------------|------------------|--|
| Sr. No | Particulars | 2023-24 | 2022-23 | |
| 1 | Opening Stock of Finished Goods | 1894.31 | 630.36 | |
| 2 | Closing Stock of Finished Goods | 3738.18 | 1894.31 | |
| Total | | (1843.87) | (1263.95) | |

Note No.16 Financial Interest

| | | | (Rs.In Lakhs) | |
|--------------|------------------|---------------|---------------|--|
| Sr. No | Particulars | 2023-24 | 2022-23 | |
| 1 | Interest on Loan | 136.45 | 50.29 | |
| 2 | Interest on Bank | 63.16 | 45.34 | |
| Total | | 199.61 | 95.64 | |

Note No.17 Other Expenses

| | | | (Rs.In Lakhs) | |
|--------------|----------------------------------|---------------|---------------|--|
| Sr. No | Particulars | 2023-24 | 2022-23 | |
| 1 | Auditors Remuneration | 1.59 | 1.25 | |
| 2 | Travelling & Conveyance Expenses | 5.77 | 5.10 | |
| 3 | Office Expenses | 22.46 | 2.83 | |
| 4 | Electricity Expenses | 0.54 | 0.30 | |
| 5 | Bank Charges | 5.98 | 4.64 | |
| 6 | Computer & Printer Repairing | 0.49 | 0.42 | |
| 7 | Salary & Bonus Exp. | 43.62 | 43.50 | |
| 8 | Frieght Exp | 127.64 | 55.84 | |
| 9 | Godown Rent | 4.21 | 4.70 | |
| 10 | Godown Expenses | 1.23 | 1.15 | |
| 11 | Insurance Exps | 1.92 | 13.49 | |
| 12 | Legal & Professional Exps. | 27.20 | 29.41 | |
| 13 | Printing & Stationary Expenses | 0.86 | 0.50 | |
| 14 | Processing Exps | 2.36 | 8.58 | |
| 15 | Interest on TDS | 1.58 | 0.92 | |
| 16 | Telephone Exp | 0.55 | 0.54 | |
| 17 | Labour Exp. | 4.83 | 2.70 | |
| 18 | Discount | 6.32 | - | |
| 19 | Staff Welfare Exp. | 1.56 | 1.53 | |
| 20 | Courier Exps | 0.34 | 0.20 | |
| 21 | Other Exps | 3.69 | 2.51 | |
| 22 | LC Charges | 2.95 | 2.13 | |
| 23 | Commission & Brokerage | 18.01 | 18.62 | |
| 24 | IPO Expense | 3.84 | 5.14 | |
| 25 | Market Making Expenses | 2.25 | 3.00 | |
| 26 | Advertisement Exps. | 1.34 | 0.36 | |
| 27 | Asba Fees | 3.55 | - | |
| 28 | Repairing & Maintenance | 1.23 | - | |
| 29 | Municipal Tax Expense | 1.49 | - | |
| Total | | 299.41 | 209.37 | |

SIGNIFICANT ACCOUNTING POLICIES :

I. System of Accounting

The financial statements are prepared under historical cost convention on an accrual basis and on the basis of going concern.

II. Fixed Assets and Depreciation :

i) Fixed Assets

Fixed Assets are capitalised at cost including all direct costs and other expenses incurred in connection with acquisition of assets apportioned there to.

ii) Depreciation

Depreciation has been calculated on written down value method on Fixed Assets in accordance with the rates and in the manner prescribed under Schedule XIV to the Companies Act, 2013.

III. Inventories

Inventories are valued at cost or net realisable value, whichever is less.

IV. Sales

Sales are net of rebate & discounts and is accounted on removal of the goods.

V Accounting policies not specifically referred to are consistent with generally accepted accounting practices.

Note No.19 Notes on Accounts

- The balances of Debtors and Creditors are subject to the confirmation.
- In the opinion of the Board of Directors the current assets, loans & advances are approximately at the same value if realised in the ordinary course of business, the provisions of all known liabilities are adequate except stated otherwise.
- Provision of Income Tax is made as per the Income Tax Act, 1961.
- The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- The company does not fall under requirements to fulfill given under section 135 Corporate social responsibility.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- Auditors Remuneration :

| | (in Rs.) 2023-24 | (in Rs.) 2022-23 |
|-------------------------|---------------------|---------------------|
| as Statutory Audit Fees | 1,59,300 | 1,25,000 |
- There are no Immovable property held as at the end of current year.
- The company have not made any revaluation in its Property, Plant and Equipment by registered valuer.
- Loans and advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013.) either severally or jointly with any other person, that are:

| | As at 31st March/2024 (in Rs) |
|---------------------|----------------------------------|
| Repayable on demand | - |
- The Company do not have any intangible assets under development
- The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- The Company has not made any borrowings from banks or financial institutions on the basis of security of current assets
- The Company is not being declared wilful defaulter by any bank or financial institution or other lender.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company does not have any layers prescribed under clause (87) of Section 2 of the Act, read with Companies (Restriction on number of Layers) Rules, 2017.

18. Analytical Ratios

| Sr No | Ratio | Numerator | Denominator | FY: 2023-24 | FY: 2022-23 | %change during the year | Reason for change - Notes |
|-------|---|--|---|-------------|-------------|-------------------------|---------------------------|
| 1 | Current ratio (in times) | Total current assets | Total current liabilities | 1.60 | 1.84 | -13 | N.A |
| 2 | Debt-Equity ratio (in times) | Debt consists of borrowings and lease liabilities. | Total equity | 0.52 | 0.65 | -21 | N.A |
| 3 | Debt service coverage ratio (in times). | Earnings for Debt Service = Net Profit after taxes + Non-cash operating expenses + Profit (after tax) for the year less Preference dividend (if any) | Total equity | 0.93 | 1.07 | -13 | N.A |
| 4 | Return on equity ratio (in %) | Profit (after tax) for the year less Preference dividend (if any) | Total equity | 2.89 | 3.74 | -23 | 18.1 |
| 5 | Inventory Turnover Ratio (in times). | Cost of Goods Sold | Average Inventory | 5.61 | 7.56 | -26 | 18.2 |
| 6 | Trade receivables turnover ratio (in times) | Revenue from operations | Average trade receivables | 5.53 | 3.60 | 54 | 18.3 |
| 7 | Trade payables turnover ratio (in times). | Purchases + Other expenses | Average trade payables | 3.24 | 3.72 | -13 | N.A |
| 8 | Net capital turnover ratio (in times) | Revenue from operations | working capital (i.e. Total current assets less Total | 3.29 | 2.83 | 16 | 18.4 |
| 9 | Net profit ratio (in %) | Profit (after tax) for the year | Revenue from operations | 0.66 | 0.91 | -28 | 18.5 |
| 10 | Return on capital employed (in %) | Profit before tax and finance costs | Capital employed | 6.00 | 5.81 | 3 | N.A |
| 11 | Return on investment (in %) | Income generated from investments | Average Investments | N.A | N.A | N.A | N.A |

Notes

18.1 Change is due to significant increase in Equity Share Capital as Compared to Previous Year.

18.2 Change is due to significant increase in inventory as compared to Previous Year

18.3 Change is due to significant increase Revenue from Operation as compared to Previous Year.

18.4 Change is due to significant increase Revenue from Operation as compared to Previous Year.

19. The Company has no scheme of arrangements approved by the competent authority as per Companies Act,2013

20. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

20.1 The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

21 Related Parties Disclosures as attached herewith

As per our report of even date attached.

FOR, DEVADIYA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Reg. No. 123045W)

For, DHARA PHARMACHEM PRIVATE LIMITED

(SANJAY DEVADIYA)
Partner
Mem.No.: 112495
UDIN: 24112495BKQGMW7514
Place : Ahmedabad
Date: 12th June,2024

Digna Shah
Director
DIN : 02507462

Keyur Shah
Managing Director
DIN : 83167258

Keyur Parmar
Chief Financial Officer

Madhuri Gurwani
Company Secretary

2023-24

| | | |
|---|--------------------------|--|
| 1 Current Liabilities | | |
| Particulars | Amt | |
| Creditors: | | |
| MSME | 40,82,58,198.00 | |
| Others | 33,70,97,582.00 | |
| Short Term Borrowings | 6,89,79,782.00 | |
| Other Current Liabilities | 19,76,187.00 | |
| Short Term Provisions | 1,20,84,500.00 | |
| Total | 82,83,96,249.00 | |
| 2 Current Assets | | |
| Particulars | Amt | |
| Inventories | 37,38,18,166.00 | |
| Trade Receivables | 30,93,67,491.90 | |
| Cash and Cash Equivalents | 13,87,82,623.00 | |
| Short-Term Loans and Advances | - | |
| Other Current Assets | 50,66,87,039.00 | |
| Total | 1,32,86,55,319.90 | |
| 3 Debts | | |
| Particulars | Amt | |
| Long-Term Borrowings | 12,54,69,631.00 | |
| Deferred Tax Liability | - | |
| Short Term Borrowings | 6,89,79,782.00 | |
| Total | 19,44,49,413.00 | |
| 4 Shareholder's Equity | | |
| Particulars | Amt | |
| Share Capital | 24,04,52,500.00 | |
| Reserve & Surplus | 13,47,33,592.00 | |
| Total | 37,51,86,092.00 | |
| 5 Earning for Debt Service | | |
| Particulars | Amt | |
| Profit After Tax | 1,08,52,915.00 | |
| Add: Depreciation | 1,69,672.00 | |
| Add: Interest | 1,99,60,850.00 | |
| Total | 3,09,83,437.00 | |
| 6 Debt Service | | |
| Particulars | Amt | |
| Interest Payment | 1,99,60,850.00 | |
| Principal Payment | 1,33,26,875.00 | |
| <small>(As per Repayment Schedule: From 15/7/2021 to 31/3/2022)</small> | | |
| Total | 3,32,87,725.00 | |
| 7 Cost of Goods Sold | | |
| Particulars | Amt | |
| Opening Inventory | 18,94,30,930.00 | |
| Add: Purchase | 1,76,35,33,200.00 | |
| Less: Closing Inventory | 37,38,18,166.00 | |
| Total | 1,57,91,45,964.00 | |
| 8 Average Inventory | | |
| Particulars | Amt | |
| Opening Inventory | 18,94,30,930.00 | |
| Closing Inventory | 37,38,18,166.00 | |
| Total | 56,32,49,096.00 | |
| Average | 28,16,24,548.00 | |
| 9 Average trade receivables | | |
| Particulars | Amt | |
| Opening trade receivables | 28,53,17,630.00 | |
| Closing trade receivables | 30,93,67,491.90 | |
| Total | 59,46,85,121.90 | |
| Average | 29,73,42,560.95 | |
| 10 Average Trade Payables | | |
| Particulars | Amt | |
| Opening trade Payables | 36,28,25,524.00 | |
| Closing trade Payables | 74,53,55,780.00 | |
| Total | 1,10,81,81,304.00 | |
| Average | 55,40,90,652.00 | |
| 11 Purchases + Other Expense | | |
| Particulars | Amt | |
| Purchases | 1,76,35,33,200.00 | |
| Other Exps | 2,99,40,575.00 | |
| Total | 1,79,34,73,775.00 | |
| 12 Working Capital | | |
| Particulars | Amt | |
| Current Assets | 1,32,86,55,319.90 | |
| Less: Current Liabilities | 82,83,96,249.00 | |
| Total | 50,02,59,070.90 | |
| 13 EBIT | | |
| Particulars | Amt | |
| Earning Before Tax | 1,41,93,495.00 | |
| Add: Interest on Term Loan | 1,36,44,526.00 | |
| Add: Interest on Unsecured Loan | 63,16,324.00 | |
| Total | 3,41,54,345.00 | |
| 14 Capital Employed | | |
| Particulars | Amt | |
| Total Equity | 37,51,86,092.00 | |
| Borrowed funds | 19,44,49,413.00 | |
| Total | 56,96,35,505.00 | |
| 15 Revenue from Operations | | |

15 Revenue from Operations

1643371027

2022-23

| | | |
|---|--------------------------|--|
| 1 Current Liabilities | | |
| Particulars | Amt | |
| Creditors: | | |
| MSME | 16,90,40,817.00 | |
| Others | 19,37,84,707.11 | |
| Short Term Borrowings | 4,93,82,743.00 | |
| Other Current Liabilities | 13,90,420.00 | |
| Short Term Provisions | 87,25,000.00 | |
| Total | 42,23,23,687.11 | |
| 2 Current Assets | | |
| Particulars | Amt | |
| Inventories | 18,94,30,930.00 | |
| Trade Receivables | 28,53,17,630.00 | |
| Cash and Cash Equivalents | 5,69,22,606.00 | |
| Short-Term Loans and Advances | - | |
| Other Current Assets | 24,35,24,766.00 | |
| Total | 77,51,95,932.00 | |
| 3 Debts | | |
| Particulars | Amt | |
| Long-Term Borrowings | 10,96,93,049.00 | |
| Deferred Tax Liability | - | |
| Short Term Borrowings | 4,93,82,743.00 | |
| Total | 15,90,75,792.00 | |
| 4 Shareholder's Equity | | |
| Particulars | Amt | |
| Share Capital | 11,97,00,000.00 | |
| Reserve & Surplus | 12,38,80,677.00 | |
| Total | 24,35,80,677.00 | |
| 5 Earning for Debt Service | | |
| Particulars | Amt | |
| Profit After Tax | 91,19,235.00 | |
| Add: Depreciation | 1,16,835.00 | |
| Add: Interest | 95,63,504.00 | |
| Total | 1,87,99,574.00 | |
| 6 Debt Service | | |
| Particulars | Amt | |
| Interest Payment | 95,63,504.00 | |
| Principal Payment | 80,43,529.00 | |
| <small>(As per Repayment Schedule: From 15/7/2021 to 31/3/2022)</small> | | |
| Total | 1,76,07,033.00 | |
| 7 Cost of Goods Sold | | |
| Particulars | Amt | |
| Opening Inventory | 6,30,35,650.00 | |
| Add: Purchase | 1,08,13,00,030.00 | |
| Less: Closing Inventory | 18,94,30,930.00 | |
| Total | 95,49,04,750.00 | |
| 8 Average Inventory | | |
| Particulars | Amt | |
| Opening Inventory | 6,30,35,650.00 | |
| Closing Inventory | 18,94,30,930.00 | |
| Total | 25,24,66,580.00 | |
| Average | 12,62,33,290.00 | |
| 9 Average trade receivables | | |
| Particulars | Amt | |
| Opening trade receivables | 26,97,48,018.00 | |
| Closing trade receivables | 28,53,17,630.00 | |
| Total | 55,50,65,648.00 | |
| Average | 27,75,32,824.00 | |
| 10 Average Trade Payables | | |
| Particulars | Amt | |
| Opening trade Payables | 23,03,00,218.00 | |
| Closing trade Payables | 36,28,25,524.00 | |
| Total | 59,31,25,742.00 | |
| Average | 29,65,62,871.00 | |
| 11 Purchases + Other Expense | | |
| Particulars | Amt | |
| Purchases | 1,08,13,00,030.00 | |
| Other Exps | 2,09,36,679.00 | |
| Total | 1,10,22,36,709.00 | |
| 12 Working Capital | | |
| Particulars | Amt | |
| Current Assets | 77,51,95,932.00 | |
| Less: Current Liabilities | 42,23,23,687.11 | |
| Total | 35,28,72,244.89 | |
| 13 EBIT | | |
| Particulars | Amt | |
| Earning Before Tax | 1,38,13,422.00 | |
| Add: Interest on Term Loan | 45,34,340.00 | |
| Add: Interest on Unsecured Loan | 50,29,164.00 | |
| Total | 2,33,76,926.00 | |
| 14 Capital Employed | | |
| Particulars | Amt | |
| Total Equity | 24,35,80,677.00 | |
| Borrowed funds | 15,90,75,792.00 | |
| Total | 40,26,56,469.00 | |
| 15 Revenue from Operations | | |

15 Revenue from Operations

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Related Parties Disclosures

As required by Accounting Standard -18 "Related Parties Disclosures", the disclosure of transactions with related parties are as given below.

A. Relationships

| a Key Management Personnel | | |
|----------------------------|----------------------------|-------------|
| Sr.no. | Name | Designation |
| 1 | Dipna Keyur Shah | Director |
| 2 | Keyur Dipakkumar Shah | Director |
| 3 | Nandish Jani | Director |
| 4 | Jitendra Pradipbhai Parmar | Director |

| b Relatives of Key Management Personnel | | |
|---|------|-------------|
| Sr.no. | Name | Designation |
| - | - | - |

c Enterprises owned or significantly influenced by key management personnel or their relatives

| Sr.no. | Name |
|--------|----------------------------------|
| 1 | Dhara Chemical |
| 2 | Dipna Pharma Chem |
| 3 | Dipna Pharmachem Private Limited |
| 4 | Auric Impex Private Limited |
| 5 | United Pharma INC |
| 6 | Dhara Pharmachem Private Limited |
| 7 | Cedac Medicorp |

B The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

| Particular | (Rs.In Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2024 | As at 31st March, 2023 |
| Expenses | | |
| Income | | |
| Purchase of Goods | | |
| Dipna Pharma chem | - | 103.49 |
| Dhara Chemical Rudrapur | - | 8.00 |
| United Pharma INC | - | 8.41 |
| Dhara Chemical | - | 46.42 |
| Cedac Medicorp | - | 268.04 |
| Sales | | |
| Dhara Chemical Rudrapur | 69.92 | 61.99 |
| United Pharma INC | - | 0.95 |
| Dhara Pharmachem Private Limited | - | 87.37 |
| Dipna Pharmachem | 37.17 | - |
| Dipna Pharmachem Private Limited | - | 55.85 |
| Dhara Chemical | 173.90 | - |
| Cedac Medicorp | 53.14 | 43.54 |
| Donation | | |
| Remuneration to key Management Personnel and their relatives (excluding commission and sitting fees) (refer note (a) below) | | |
| Commission | | |
| Commission (Non Executive Director) | | |
| Sitting Fees | | |
| Outstanding as at year end | | |
| Receivable | | |
| Dipna Keyur Shah (Loans & Advance) | | 2.07 |
| Keyur Dipak Shah (Loans & Advance) | 744.97 | 155.98 |
| Dhara Chemical (Creditor) | (173.90) | 39.46 |
| Dhara Chemical-Rudrapur (Debtor) | 69.92 | 111.94 |
| Dhara Chemical (Loan) | - | 165.32 |
| Dhara Pharmachem Pvt Ltd (Debtor) | - | 42.33 |
| Dhara Pharmachem Pvt Ltd (Loan) | 2293.94 | 53.59 |
| Dipna Pharma Chem (creditor) | (6.31) | 288.23 |
| Dipna Pharmachem Pvt Ltd (Debtor) | (0.02) | 0.14 |
| Dipna Pharmachem Pvt Ltd (Loan) | 222.43 | 117.04 |
| Dipna Pharma Chem (Loan) | - | 577.39 |
| United Pharma INC | 24.85 | 24.85 |
| Dhara Chemical-Rudrapur (Loan) | - | 58.74 |
| Cedac Medicorp (Debtors) | - | 386.15 |
| Payable | | |
| Dipna Keyur Shah | 6.90 | |

Note: (a) The remuneration to the key managerial personnel does not include the provisions made

Terms and conditions of transactions with related parties

Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Group has not recorded any impairment of receivables relating to amounts owned by related parties. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.