

30<sup>th</sup> September 2024

The Manager  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

Re : Scrip Code No.530845

**Sub: Proposed issue of equity shares of face value of Rs. 10/- each on a rights basis to existing shareholders by Sunshield Chemicals Limited (“the Company”)**

This is further to the Meeting of the Board of Directors of the Company (“the Board”) held on August 9, 2024, approving the issue of fully paid-up equity shares of face value of Rs. 10/- each of the Company by way of rights issue to the existing shareholders of the Company for an amount not exceeding Rs. 150 crores, in accordance with the Companies Act, 2013 and the rules made thereunder, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2018, as amended, and other applicable laws (“Issue”).

Pursuant to the above referred Board approval, please take note that the Company has filed the draft letter of offer dated September 30, 2024 (“DLOF”) in connection with the issue with the Securities and Exchange Board of India.

This intimation is issued in terms of Regulation 30 of the Securities and Exchange Board of India, Listing Regulations.

We request you to take the above information on record.

Thanking you,  
Yours faithfully,

**For Sunshield Chemicals Limited**

**Amit Kumashi**  
Company Secretary





(Please scan the QR Code to view the DLOF)



### SUNSHIELD CHEMICALS LIMITED

Our Company was incorporated as "Sunshield Chemicals Private Limited" on November 19, 1986, as a Private Limited Company under the provisions of the Companies Act, 1956 and was granted the Certificate of Incorporation by the Registrar of Companies, Mumbai. Subsequently our Company was converted into a Public Limited Company and the name of our Company was changed to "Sunshield Chemicals Limited" on May 28, 1992, vide a fresh certificate of incorporation issued by the Registrar of Companies, Mumbai.

Registered Office: 1501-A, Universal Majestic, P.L. Lokhande Marg Behind R.B.K International Academy, Chembur, Mumbai – 400043, Maharashtra, India

Contact person: Amit Ashok Kumashi

Telephone: +91 022-25550126 | E-mail id: [info@sunshieldchemicals.com](mailto:info@sunshieldchemicals.com) | Website: [www.sunshieldchemicals.com](http://www.sunshieldchemicals.com)

Corporate Identity Number: L99999MH1986PLC041612

#### PROMOTERS OF OUR COMPANY: INDUS PETROCHEM LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SUNSHIELD CHEMICALS LIMITED (OUR "COMPANY" OR THE "ISSUER" ONLY)

NEITHER OUR COMPANY NOR ANY OF OUR PROMOTERS OR ANY OF OUR DIRECTORS HAVE BEEN DECLARED AS WILFUL DEFAULTERS OR FRAUDULENT BORROWERS BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY

ISSUE OF UP TO [●] FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹ 15,000 LAKHS\* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE FOR EVERY [●] FULLY PAID UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [●], 2024 (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO "TERMS OF THE ISSUE" BEGINNING ON PAGE 174 OF THIS DRAFT LETTER OF OFFER.

\*Assuming full subscription with respect to Rights Equity Shares.

#### PAYMENT SCHEDULE FOR RIGHTS EQUITY SHARES

AMOUNT PAYABLE PER RIGHTS EQUITY SHARE*	Face Value (₹)	Premium (₹)	Total (₹)
On Application			
<b>Total (₹)</b>			

\*For further details on Payment Schedule, see "Terms of the Issue" on page 174

#### WILFUL DEFAULTER(S) OR FRAUDULENT BORROWER(S)

Neither our Company nor our Promoter nor any of our Directors have been identified as Willful Defaulter(s) or Fraudulent Borrower(s).

#### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of the investors is invited to "Risk Factors" beginning on page 22 of this Draft Letter of Offer before making an investment in this Issue.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

#### LISTING

The existing Equity Shares are listed on BSE Limited ("BSE") (the "Stock Exchange"). Our Company has received 'in-principle' approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide letter dated [●]. Our Company will also make application to the Stock Exchange to obtain its trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is the BSE.

#### LEAD MANAGERS TO THE ISSUE



**Fortress Capital Management Services Private Limited**  
2<sup>nd</sup> Floor, Daryanagar House, 69, Maharshi Karve Road,  
Mumbai – 400 002  
CIN: U67120MH2004PTC145815  
Telephone: +91 022-22007973  
E-mail: [hiteshdoshi@fortress.co.in](mailto:hiteshdoshi@fortress.co.in)  
Investor grievance e-mail id: [info@fortresscapital.in](mailto:info@fortresscapital.in)  
Contact person: Hitesh Doshi  
Website: [www.fortresscapital.in](http://www.fortresscapital.in)  
SEBI registration number: INM000011146

#### REGISTRAR TO THE ISSUE



**Bigshare Services Private Limited**  
Office No S6-2, 6<sup>th</sup> Floor,  
Pinnacle Business Park, Next to Ahura Centre,  
Mahakali Caves Road,  
Andheri (East) Mumbai 400 093  
CIN: U99999MH1994PTC076534  
Telephone: +91 22 6263 8200  
Email: [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com)  
Investor grievance e-mail: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Contact Person: Suraj Gupta  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)  
SEBI registration no.: INR000001385

#### ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATIONS*	ISSUE CLOSES ON#
[●]	[●]	[●]

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

#The Rights Issue committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

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

*The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in sections / chapters titled "**Industry Overview**", "**Statement of Tax Benefits**", "**Financial Information**", "**Outstanding Litigation and Defaults**" and "**Terms of the Issue**" on pages 65, 61, 98, 158 and 174 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.*

#### General Terms

Term	Description
"Sunshield Chemicals Limited" or "Our Company" or "the Company" or "the Issuer" or "SCL"	Sunshield Chemicals Limited, a Public Limited Company incorporated under the Companies Act, 1956 and having its Registered Office at 1501-A, Universal Majestic, P.L. Lokhande Marg, Behind R.B.K. International Academy, Chembur, Mumbai – 400043.
"We", "Our", "Us", or "Our Group"	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company

#### Company Related Terms

Term	Description
Articles of Association/ Articles / AoA	The Articles of Association of our Company, as amended from time to time
Audit Committee	The Board of Directors of our Company constituted the Audit Committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Section 177 of the Companies Act, 2013
Audited Financial Statements	Unless stated or the context requires otherwise, our financial data as at and for the Financial Year ended March 31, 2024, March 31, 2023, March 31, 2022 included in this Draft Letter of Offer derived from the Restated Financial Statements for the Financial Year ended March 31, 2024, March 31, 2023, March 31, 2022. For further information, see " <b>Financial Information</b> " on page 98 of this Draft Letter of Offer.
Auditor / Statutory Auditor	The current Statutory Auditor of our Company, namely, CNK & Associates LLP.
Board / Board of Directors	Board of Directors of our Company including duly constituted committee thereof. For details of the Board of Directors, see " <b>Our Management</b> " on page 87 of the Draft Letter of Offer
Chairperson	Dr. Maya Parihar Malhotra, the Chairperson of our Board
Chief Financial Officer / CFO	Ashish Kumar Agarwal, the Chief Financial Officer of our Company
Committee(s)	Duly constituted committee(s) of our Board of Directors
Company Secretary and Compliance Officer	Amit Ashok Kumashi, the Company Secretary and the Compliance Officer of our Company
Directors	Directors on the Board, as may be appointed from time to time

<b>Term</b>	<b>Description</b>
Equity Shareholder / Shareholders	A holder of Equity Share(s) of our Company, from time to time
Equity Shares	Equity shares of face value of ₹ 10 each of our Company
Executive Directors	Executive Directors of our Company
Independent Director(s)	Independent Director(s) of our Company as per Section 2(47) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, and as described in the chapter " <b>Our Management</b> " on page 87 of this Draft Letter of Offer
Key Managerial Personnel / KMP	Key Managerial Personnel of our Company as per the definition provided in Section 2(51) of the Companies Act, 2013 and Regulation 2(1) (bb) of the SEBI ICDR Regulations as described in the " <b>Our Management</b> " on page 87 of this Draft Letter of Offer.
Limited Review Financial Information/ Limited Review Financial Statements	The limited review unaudited financial statements for the three months period ended June 30, 2024, prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, see " <b>Financial Information</b> " on page 98 of this Draft Letter of Offer
Materiality Policy	Policy for Determination and Disclosure of Materiality of an Event or Information adopted by our Board in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, read with the materiality threshold adopted by the Board of Directors through its resolution dated August 11, 2023, for the purpose of litigation disclosures in this Draft Letter of Offer.
Memorandum of Association / Memorandum / MoA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The Board of Directors of our Company constituted the Nomination and Remuneration Committee in accordance with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Section 178 of the Companies Act, 2013.
Non-executive Director	Non-executive Director(s) on our Board, as described in " <b>Our Management</b> " on page 87 of this Draft Letter of Offer.
Registered Office	The registered office of our Company at 1501-A, Universal Majestic, P.L. Lokhande Marg, Behind R.B.K. International Academy, Chembur, Mumbai – 400043.
Registrar of Companies / RoC	The Registrar of Companies, Mumbai, Maharashtra.
Rights Issue Committee	The Committee of our Board of Directors constituted through the Board resolution dated August 09, 2024
Stakeholders' Relationship Committee	The Board of Directors of our Company constituted a Stakeholder Relationship Committee in accordance with Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Section 178 of the Companies Act, 2013.

### Issue Related Terms

<b>Term</b>	<b>Description</b>
Abridged Letter of Offer / ALOF	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allotment / Allot / Allotted	Unless the context otherwise requires, the Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account	The accounts opened with the Banker(s) to the Issue, into which the Application Money blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013

<b>Term</b>	<b>Description</b>
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●].
Allotment Advice	The note, advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date / Date of Allotment	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to the Issue in terms of the Draft Letter of Offer
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online / electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price
Application Form / Common Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue
Application Money	Aggregate amount payable at the time of Application in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an ASBA Applicants to make an application authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB.
ASBA Account	Account maintained with the SCSB and as specified in the Application Form or the plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●]
Banker to the Issue Agreement	Agreement dated [●], entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors making an application for the Rights Equity Shares
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in " <b>Terms of the Issue</b> " on page 174 of this Draft Letter of Offer
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, occupation and bank account details, where applicable.
Designated Branches / Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , updated from time to time or at

<b>Term</b>	<b>Description</b>
	such other website(s) as may be prescribed by the SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer / DLOF	The Draft Letter of Offer dated September 30, 2024, filed with SEBI in accordance with SEBI ICDR Regulations
Eligible Equity Shareholder(s) / Eligible Shareholder(s)	Existing Equity Shareholder(s) as on the Record Date i.e., [.]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For, further details, see " <i>Notice to Investors</i> " on page 11 of this Draft Letter of Offer.
Fraudulent Borrower	Fraudulent Borrower as defined under Regulations 2(1) (III) of the SEBI ICDR Regulations
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, [.], and the Renouncee(s).
Issue Agreement	Agreement dated September 30, 2024, between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue.
ISIN	International securities identification number i.e., INE199E01014
Issue / Rights Issue	Issue of up to [●] Rights Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹[●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share) aggregating up to ₹ 15,000.00 Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Share for every [●] fully paid-up Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date .
Issue Closing Date	[●]
Issue Materials	Collectively, the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form and Rights Entitlement Letter, any other issue material relating to the Issue
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants / Investors can submit their applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ [●] per Rights Equity Share.
Issue Proceeds/ Gross Proceeds	The gross proceeds raised through the Issue
Issue Size	Amount aggregating up to ₹ 15,000.00 Lakhs <sup>#</sup> <sup>#</sup> Assuming full subscription with respect to Rights Equity Shares
Lead Manager / LM	Fortress Capital Management Services Private Limited
Letter of Offer / LOF	The final letter of offer dated [.], to be filed with the Stock Exchange and with SEBI
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder / Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with / without using additional Rights Entitlements will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to " <i>Objects of the Issue</i> " on page 51 of this Draft Letter of Offer
Non-Institutional Investor / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1) (jj) of the SEBI ICDR Regulations
Off Market Renunciation	Renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws



<b>Term</b>	<b>Description</b>
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●]
Payment Schedule	Payment schedule under which entire Issue Price is payable on Application.
Qualified Institutional Buyer / QIB	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●]
Registrar to the Issue	Bigshare Services Private Limited
Registrar Agreement	Agreement dated September 30, 2024 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) has been opened in this case being [●]
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circulars, the Companies Act and any other applicable law
RE ISIN	ISIN for Rights Entitlement i.e. [●]
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e., [●]
Rights Entitlement(s) / RE(s)	<p>Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of the Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●], would be [●] Equity Shares for every [●] Equity Share held by an Eligible Equity Shareholder.</p> <p>Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.</p> <p>The Rights Entitlements with a separate ISIN will be credited to the respective demat account of Eligible Equity Shareholder before the Issue Opening Date, against the Equity Shares held by the Eligible Equity Shareholders as on the Record Date.</p>
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements will also be accessible on the website of our Company and Registrar
Rights Equity Shares / Rights Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, read with SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022, and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
SCSB(s) / Self-Certified Syndicate Banks	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.

<b>Term</b>	<b>Description</b>
Stock Exchanges	Stock exchange where the Equity Shares of our Company are presently listed, i.e., BSE Limited.
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter / Fraudulent Borrower	Company or person, as the case may be, categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Maharashtra are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, for the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

### **Business and Industry Related Terms**

	<b>tion</b>
Alkoxylation	The chemical reaction used to produce surfactants
Antioxidants	They are compounds that inhibit oxidation, a chemical reaction that can produce free radicals
B2B	Business-to-Business
EO	Ethylene Oxide
EOC	Ethylene Oxide Condensate
Ethoxylates	A chemical process where ethylene oxide reacts with amine, alcohol or phenol
Ethylene Oxide	Organic compound used in extensively in the chemical industry
EU	European Union
HQEE	Hydroquinone Bis (2-Hydroxyethyl) Ether
ISO	International Organization for Standardization
JNPT	Jawaharlal Nehru Port Trust
KL	Kiloliters
KW	Kilowatt
MT	Metric ton
PLI	Production-linked incentive
PP	Propoxylate
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals (European Regulation)
R&D	Research and Development
RVA	Raad Voor Accreditatie, a Dutch Council for Accreditation
THEIC	Tris 2-Hydroxyethyl Isocyanurate
UF-resin	Urea Formaldehyde Resin
US/USA	The United States of America
US\$	United States Dollar or US Dollar
YoY	Year on Year

### **Conventional and General Terms/Abbreviations**

<b>Term</b>	<b>Description</b>
₹ / Rs. / Rupees / INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting

<b>Term</b>	<b>Description</b>
AIF(s)	Alternative Investment Funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
API	Application Programming Interface
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CBDT	Central Board of Direct Taxes, Government of India
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
Central Government	Central Government of India
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Civil Code	Code of Civil Procedure 1908
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with the rules made thereunder
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's Identification
DTAA	Double Taxation Avoidance Agreement
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, tax, depreciation and amortization
ECS	Electronic Clearance Service
EGM	Extraordinary General Meeting
EMI	Equated Monthly Instalments
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non-Resident (Bank) account opened in accordance with the FEMA
FDI	Foreign Direct Investment
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019

<b>Term</b>	<b>Description</b>
Financial Year / Fiscal Year / Fiscal	Period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year, unless otherwise stated
FIR	First Information Report
FOIR	Fixed Obligations to Income Ratio
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
Fugitive Offender	Economic An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
IBC / Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IEPF	Investor Education and Protection Fund
IEPF Authority	Investor Education and Protection Fund Authority established by the GOI under Section 125 of the Companies Act, 2013
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income-tax Act, 1961
Ind AS	The Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles of India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
ISIN	International Securities Identification Number
IBC	Insolvency and Bankruptcy Code, 2016, as amended
IT	Information Technology
ITAT	Income Tax Appellate Tribunal
Ltd.	Limited
LTV	Loan-To-Value Ratio
MCA	Ministry of Corporate Affairs
MIS	Management Information System
Mn / mn	Million
MSME	Micro Small and Medium Enterprises
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
Net Asset Value per Equity Share / NAV per Equity Share	Net Worth / Number of Equity shares subscribed and fully paid outstanding as of March 31 of that Financial Year

<b>Term</b>	<b>Description</b>
Net Worth	Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NBFC	Non-Banking Financial Companies
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPA	Non-Performing Assets
NRE Account	Non-resident External Account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO	Non-Resident Ordinary
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
Pvt. Ltd.	Private Limited
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
RCU	Risk Control Unit
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
RoC	Registrar of Companies, Mumbai
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SARFAESI	Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations / SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations / Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Securities Act	The United States Securities Act of 1933
SMS	Short Message Service

<b>Term</b>	<b>Description</b>
STT	Securities Transaction Tax
State Government	The Government of a State in India
Supreme Court	Supreme Court of India
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
U.S.\$ / USD / U.S. Dollar / US\$ / US Dollar / \$	United States Dollar, the legal currency of the United States of America
USA / U.S. / US / United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VCFssss	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
w.e.f.	With effect from
Year / Calendar Year	Unless context otherwise requires, shall refer to the twelve-months period ending December 31 of a particular year

## NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter (collectively, the “**Issue Materials**”) and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Issue Materials through email and courier only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. This Draft Letter of Offer will be provided, through email and courier, by the Registrar, on behalf of our Company, to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can also access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, SEBI and the Stock Exchange. Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholder(s).

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with SEBI and Stock Exchange. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction (other than in India), except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Letter of Offer, and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

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

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

The Issue Materials are supplied to you solely for the use of the person who receive it from our Company or from the Registrar and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

**THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE ISSUE OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE ISSUE OF RIGHTS EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

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

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an address in India. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not, and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

The Rights Entitlements may not be transferred or sold to any person in the United States.



The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**US SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer.

Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants/ Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under the applicable laws or regulations.

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

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Certain Conventions

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

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time ("IST"). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

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

### Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer have been derived from our Audited Financial Statements. For details, please see "**Financial Information**" beginning on page 98 of this Draft Letter of Offer. Our Company's financial year commences on April 01 and ends on March 31 of next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Government of India has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**").

Unless stated or the context requires otherwise, our financial data (a) as at and for the Financial Year ended March 31, 2024, March 31, 2023 and March 31, 2022 included in this Draft Letter of Offer is derived from the Audited Financial Statements for the Financial Year ended March 31, 2024, March 31, 2023 and March 31, 2022; and (b) Unaudited Interim Financial Information of our Company, and its share of net profit after tax and total comprehensive income, which comprises of the statement of profit and loss (including other comprehensive income) for the three-months period ended June 30, 2024 together with selected explanatory notes thereon, prepared in accordance with Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act read with relevant rules issued thereunder and other accounting principles generally accepted in India. For further information, see "**Financial Information**" on page 98 of this Draft Letter of Offer.

The Audited Financial Statements of our Company for the Financial Year ended March 31, 2024, March 31, 2023 and March 31, 2022 and the unaudited Limited Review Financial Statements for the three months period ended June 30, 2024 have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees in Lakhs.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in the Financial Statements in whole numbers and in this Draft Letter of Offer in "lakh" units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences

or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Letter For further information, see "**Financial Information**" beginning on page 98 of this Draft Letter of Offer.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

### Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US\$" or "\$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "**Risk Factors**", "**Our Business**", "**Management's Discussion and Analysis of Financial Conditions and Results of Operation**" beginning on pages 22, 75, and 145 and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

### Exchange Rates

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

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

(in ₹)			
Name of the Currency	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
United States Dollar	83.37	82.22	75.81
Euro	90.21	89.60	84.66

(Source: RBI and FBIL reference rate)

Note: In case if March 31 and September 30 of any of the respective years / period is a public holiday, the previous Working Day not being a public holiday has been considered. Since, March 31, March 30, and March 29, 2024, were public holidays, the exchange rate as of March 28, 2024, has been considered

### Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources

may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” beginning on page 22 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

**The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.**

## FORWARD LOOKING STATEMENTS

In this Draft Letter of Offer, we have included statements, which contain words or phrases such as "will", "may", "aim", "is likely to result", "believe", "expect", "continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "pursue" and similar expressions or variations of such expressions, that are "forward looking statements".

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- We derive a significant part of our revenue from select customers. The loss of revenues from such customers, could have an adverse impact on our financial condition.
- Our business is significantly dependent on a few suppliers for procurement of raw materials and an inability to procure the desired quality and/or quantity of raw materials in a timely manner and at a reasonable cost, or at all, may have a negative impact on our business, results of operations, financial condition and cash flows.
- Our business is dependent and will continue to depend on our manufacturing facility, and we are subject to certain risks in our manufacturing processes. Any slowdown or shutdown in our manufacturing facility may have an adverse effect on our business and results of operations.
- There are pending litigations against our Company, certain of our Promoters, and our directors. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, results of operations and financial condition.
- Any adverse outcome from pending environmental litigation may result in financial penalties, operational restrictions, or remediation obligations.
- The Registered office from where we carry out our business activities is leased from our Promoter Entity, Indus Petrochem Limited. Any termination of such lease/license and/ or non-renewal could adversely affect our operations.
- We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing facility, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations.
- We face competition from both domestic as well as multinational corporations and our inability to compete effectively may have a material adverse impact on our business, financial condition and results of operations.
- Our success largely depends upon the services of our Directors, Senior Management Personnel, Key Managerial Personnel and our ability to retain them. Demand for Senior Management Personnel and Key Managerial Personnel in the industry is intense and our inability to attract and retain our Senior Management Personnel and Key Managerial Personnel may affect the operations of our Company.
- We may not be able to adequately protect our intellectual property rights, and our business, financial condition and results of operations may be adversely affected.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, please refer to “*Risk Factors*”, “*Our Business*” and “*Management's Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 22, 75 and 145 respectively of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although, we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

## SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including, “*Risk Factors*”, “*Objects of the Issue*”, “*Our Business*”, “*Industry Overview*” and “*Outstanding Litigation and Material Developments*” beginning on pages 22, 51, 75, 65 and 158, respectively of this Draft Letter of Offer.

### Primary Business of our Company

Our Company is engaged in the manufacturing of specialty chemicals, which comprise of low volume high value chemicals with specific applications, that constitute a part of the Indian chemical industry and are targeted towards specific end-use applications. They are produced by a complex, interlinked industry and comprise of products that are sold based on their performance and function, rather than their composition.

For further information, please refer to “*Our Business*” beginning on page 75 of this Draft Letter of Offer.

### Primary Industry in which our Company operates

Our Company operates in the Specialty Chemicals segment.

For further information, please refer to “*Industry Overview*” beginning on page 65 of this Draft Letter of Offer.

### Our Promoters

The promoter of our Company is Indus Petrochem Limited

For further information please refer to “*Our Promoter*” beginning on page 96 of this Draft Letter of Offer

### Objects of the Issue

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

Particulars	(in ₹ Lakhs) Amount <sup>#</sup>
Repayment or prepayment, in full or in part, of certain borrowings availed by our Company	9178
Setting up of projects for expansion and modernization	2150
General Corporate Purposes	[●]
<b>Total Net Proceeds*</b>	<b>[●]</b>

<sup>#</sup>To be finalized on determination of the Issue Price and updated in the Letter of Offer prior to filing with the SEBI and Stock Exchanges. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

\*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted as per the Rights Entitlement Ratio.

For further details, please see chapter titled “*Objects of the Issue*” beginning on page 51 of this Draft Letter of Offer.

### Summary of Financial Information

Following are the details as per the Unaudited Financial Statement for the three months period ended June 30, 2024 and for the Audited Financial Statement as at and for the Financial Years ended on March 31, 2024, March 31, 2023 and March 31, 2022:

(₹ in lakhs)

Sr. No.	Particulars	Three months period ended June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1.	Share Capital	735.00	735.31	735.31	735.31
2.	Net Worth	NA	8219.02	6599.88	5367.22
3.	Revenue	7796.00	28,337.54	24,476.00	24,400.42
4.	Profit/(Loss) after Tax	401.00	1884.67	1,366.11	2747.52
5.	Earnings per share	5.45	25.63	18.58	13.13
6.	Net Asset Value per equity share	NA	111.78	89.76	72.99
7.	Total borrowings (as per balance sheet)	NA	8547.33	7712.13	7854.05

For further details, please refer to the section titled “**Financial Information**” on page 98 of this Draft Letter of Offer.

### Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company as on the date of this Draft Letter of Offer is provided below:

(₹ in lakhs)

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or regulatory Proceedings	Material Civil Litigations	Aggregate amount involved
Company					
By our Company	1	NA	NA	NA	8.25*
Against our Company	1 <sup>#</sup>	12	NA	2 <sup>#</sup>	1,622.76*
Directors (excluding Promoters)					
By our Directors	NA	NA	NA	NA	NA
Against our Directors	1 <sup>#</sup>	NA	NA	NA	NA
Promoters					
By our Promoters	NA	NA	NA	NA	NA
Against our Promoters	NA	3	NA	NA	2,922.41

\*To the extent quantifiable

<sup>#</sup>Not quantifiable

For further information on the outstanding litigation proceedings, please refer to “**Outstanding Litigation and Material Developments**” on page 158 of this Draft Letter of Offer.

### Risk Factors

For details, please refer to the chapter titled “**Risk Factors**” beginning on page 22 of this Draft Letter of Offer.

### Contingent Liabilities

For details, please refer to the section titled “**Financial Information**” beginning on page 98 of this Draft Letter of Offer.

### Related Party Transactions

For details, please refer to the section titled “**Financial Information**” beginning on page 98 of this Draft Letter of Offer.

### Issue of equity shares made in the last one year for consideration other than cash

Our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year



immediately preceding the date of this Draft Letter of Offer.

**Split or consolidation of Equity Shares in the last one year**

Our Company has not undertaken a split or consolidation of Equity Shares in the last one year preceding the date of this Draft Letter of Offer.

## SECTION II – RISK FACTORS

*An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below and the "Financial Information" on page 98 of this Draft Letter of Offer, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages, 65, 75 and 145 respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.*

*However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.*

*This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, please refer to "Forward Looking Statements" on page 17 of this Draft Letter of Offer.*

*Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements included in this Draft Letter of Offer. For further information, please refer to "Financial Information" on page 98 Of this Draft Letter of Offer. In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Sunshield Chemicals Limited.*

### INTERNAL RISK FACTORS

- 1. We derive a significant part of our revenue from select customers. The loss of revenues from such customers, could have an adverse impact on our financial condition.***

*We depend on key customers for a significant portion of our revenues. For the Fiscal 2024, our top ten customers contributed 57% of our total revenue from operations. We expect that we will continue to rely on select customers for the foreseeable future for a significant part of our revenues. We cannot, however, assure you that we will be able to continue to service these customers or obtain the same or enhanced business from them. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them whether due to circumstances specific to such customer, such as pricing pressures or adverse market conditions affecting our supply chain could have an adverse effect on our business, results of operations, financial condition and cashflows.*

- 2. Our business is significantly dependent on a few suppliers for procurement of raw materials and an inability to procure the desired quality and/or quantity of raw materials in a timely manner and at a reasonable cost, or at all, may have a negative impact on our business, results of operations, financial condition and cash flows.***

*We procure the primary raw materials used for our manufacturing process from domestic suppliers with whom we do not have long term agreements. For the Fiscal 2024, and the three months period ended*

June 30, 2024, our top ten suppliers contributed approximately 72% and 73% respectively of our total purchases. Further, our total purchases of raw materials are concentrated only to a few suppliers.

We have a mutual understanding with our primary suppliers and we also enter into agreements with them from time to time. However, the absence of long-term supply contracts subjects us to risks such as price volatility caused by various factors such as market fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic government policies and regulatory changes. If we cannot fully offset the increase in raw material prices with increase in the prices of our products, we will experience lower profit margins, which in turn may have a material adverse effect on our results of operations, financial condition and ultimately lead to a liquidity crunch. In the absence of such contracts, we are also exposed to the risk of unavailability of certain raw materials in desired qualities and quantities, in a timely manner.

**3. *Our business is dependent and will continue to depend on our manufacturing facility, and we are subject to certain risks in our manufacturing processes. Any slowdown or shutdown in our manufacturing facility may have an adverse effect on our business and results of operations.***

We conduct our operations at our manufacturing facility at Raigad in Maharashtra, India. Our manufacturing facility is supported by infrastructure for storage of raw materials and finished goods, together with quality control equipment and team. These manufacturing facilities are subject to the normal risks of industrial production, including natural disasters, directives from government agencies and power interruptions. For further details, please see “*Our Business – Manufacturing facilities*” on page 82 of this Draft Letter of Offer. Therefore, We cannot assure that we will not go through closure or shutdown of manufacturing facilities in the future. Further, since we have only one manufacturing facility, we are not able to shift our production to another location without significant expense or delay, and therefore a significant disruption to our production at Raigad could materially and adversely affect our business, financial condition and results of operations.

We depend on public/state power supply utilities for supply of power to our manufacturing facility. Any extended power supply interruption may result in reduced production. For further details, please see “*Our Business - Power*” on page 82 of this Draft Letter of Offer. Any shortage or interruption in the supply of electricity may adversely affect our operations and increase our production costs. This could lead to delays in delivery of our products or non-delivery, resulting in loss of revenue and damage to our reputation or customer relationships. Our manufacturing facility uses complex equipment and machinery, and the breakdown or failure of equipment or machinery may result in us having to make repairs or procure replacements which may require considerable time and expense and as a result, our results of operations and financial condition could be adversely affected.

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

Our Company is involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals or other governmental authorities. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities. Any adverse decision in such legal proceedings may have a material adverse effect on our business, financial condition, results of operations and cash flows.

A summary of outstanding litigation proceedings involving our Company, our Promoters, our Directors and our Group Company as on the date of this Draft Letter of Offer and as disclosed in the section titled “*Outstanding Litigation and Other Material Developments*” in terms of the requirements under the SEBI ICDR Regulations is provided below:

		(₹ in lakhs)				
<b>Name of Entity Company</b>		<b>Criminal Proceedings</b>	<b>Tax Proceeding</b>	<b>Statutory or Regulatory Proceedings</b>	<b>Material Civil Litigation</b>	<b>Aggregate amount involved</b>
Against our Company		1	12	NA	2	1,622.76*
By our Company		1	NA	NA	NA	8.25
<b>Directors</b>						
Against Director	our	1 <sup>#</sup>	NA	NA	NA	NA
By our Director		NA	NA	NA	NA	NA
<b>Promoter</b>						
Against Promoters	our	NA	3	NA	NA	2,922.41
By our Promoters		NA	NA	NA	NA	NA

\*To the extent quantifiable

<sup>#</sup>Not quantifiable

Further, except as disclosed in “**Outstanding Litigation**” on page 158. We do not have any subsidiaries, due to which the litigations with respect to our subsidiaries have not been included.

If any of any future litigations are decided against our Company, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. In this regard, we may be subject to penalties and regulatory actions including the suspension of our business. There can be no assurance that these litigations will be decided in favor of our Company or in the favor of our Promoter or Directors and such proceedings may divert management time and attention and consume financial resources in their defense or prosecution. An adverse outcome in any of these proceedings may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**5. Any adverse outcome from pending environmental litigation may result in financial penalties, operational restrictions, or remediation obligations.**

Our Company is currently involved in legal proceedings under the Environment (Protection) Act, 1986. The case alleges that we discharged untreated effluents into the Amba River, contributing to water pollution. While we are actively defending ourselves against these allegations, we cannot predict its outcome at this stage. Any adverse judgment or regulatory action could result in financial penalties, operational restrictions, or remediation obligations, which may materially impact our financial condition and operations. Additionally, ongoing litigation or any negative publicity associated with this case could affect our reputation.

**6. The Registered office from where we carry out our business activities is leased from our Promoter Entity, Indus Petrochem Limited. Any termination of such lease/license and/ or non-renewal could adversely affect our operations.**

Our Registered office is situated at 1501-A, Universal Majestic, P.L. Lokhande Marg Behind R.B.K International Academy, Chembur, Mumbai – 400043, Maharashtra, India, from where we carry out our business activities. We have leased this office space from our Promoter, Indus Petrochem Limited on leave and license basis vide an agreement dated December 24, 2021 for a period of 36 months effective from December 01, 2021. Uploaded. Any termination of the agreement whether due to any breach or otherwise or non-renewal thereof, could temporarily disrupt our functioning and affect the business operations.

7. ***We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing facility, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations.***

Our operations are subject to extensive government regulation, and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business operations. We may need to apply for more approvals, including the renewal of approvals which may expire from time to time, and approvals in the ordinary course of business.

Any inability to renew these approvals may have an adverse effect on our operations. We cannot assure you that such approvals will be issued or granted to us, or at all. If we fail to obtain or retain any of these approvals or licenses or renewals thereof, in a timely manner or at all, our business operations may be adversely affected.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If we fail to comply with the applicable regulations or if the regulations governing our business operations are amended, we may incur increased costs, be subjected to penalties, have our approvals and permits revoked or suffer from disruption in our operations, any of which could adversely affect our business operations.

8. ***We face competition from both domestic as well as multinational corporations and our inability to compete effectively may have a material adverse impact on our business, financial condition and results of operations.***

We face competition in our business based on pricing, relationships with customers, product quality, customization, and innovation. We face pricing pressures from companies, that are able to produce such products at competitive costs and consequently, may supply their products at cheaper prices. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such domestic or multinational competitors which would adversely affect our business, financial condition and results of operations. Additionally, some of our competitors may have greater financial, research and technological resources, larger sales and marketing teams and more established reputation. They may also be in a better position to identify market trends, adapt to changes in industry, innovate and develop new products, offer competitive prices due to economies of scale and also ensure product quality and compliance.


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

Our Directors, Senior Management Personnel and Key Managerial Personnel have substantially contributed for our growth. Our success is substantially dependent on the expertise and services of our Directors, Senior Management Personnel and Key Managerial Personnel. They provide expertise which enables us to take well informed decisions in relation to our business and prepare our Company for future challenges. Our future performance will depend upon the continued services of these persons. Demand for Senior Management Personnel and Key Managerial Personnel in the industry is intense. However, our Board of Directors, as a part of their role and responsibilities, have been entrusted with the obligation of selecting, compensating, monitoring, replacing and succession planning for Senior Management Personnel and Key Managerial Personnel of our Company. In the event of an exit by any Senior Management Personnel and/or Key Managerial Personnel, appropriate steps for replacement of the person are taken by our Company to ensure smooth transition of roles and responsibilities so as to avoid any disruptions in the operations and management of the business of the Company.

The loss of the services of such Director or Senior Management Personnel or Key Managerial Personnel of our management team and the failure of any succession plans to replace such key members could have

an adverse effect on our business and the results of our operations.

10. ***We may not be able to adequately protect our intellectual property rights, and our business, financial condition and results of operations may be adversely affected.***

Our corporate logo  is registered under classes 1,2 and 17 of the Trademark Act, 1999. Our class 1 and 4 trademarks were advertised but opposed by PI Industries and Shield Lubricants respectively. We also have 10 other trademarks which are currently operational in India, for which we have obtained valid registration certificates under the Trademarks Act, 1999. If we are unable to renew or register our trademark for various reasons or if any of our unregistered trademark are registered in favour of or used by a third party in India or abroad, we may not be able to claim registered ownership of such trademark and consequently, we may not be able to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities, causing damage to our business prospects, reputation and goodwill in India and abroad. Apart from this, any failure to register or renew registration of our registered trademark may affect our right to use such trademark in future. Further, our efforts to protect our intellectual property in India and abroad may not be adequate and any third-party claim on any of our unprotected intellectual property may lead to erosion of our business value and our reputation, which could adversely affect our operations. Third parties may also infringe or copy our registered brand name in India and abroad which has been registered by us in India. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our trademarks in India and abroad.

Further, if we do not maintain our brand name and identity, which we believe is one of the factors that differentiates us from our competitors, we could lose our customers, which would negatively affect our financial performance and profitability. Moreover, our ability to protect, enforce or utilize our brand name is subject to risks, including general litigation risks. Furthermore, we cannot assure you that such brand name will not be adversely affected in the future by actions that are beyond our control, including customer complaints or adverse publicity from any other source in India and abroad. Any damage to our brand name, if not immediately and sufficiently remedied, could have an adverse effect on our business and competitive position in India and abroad.

11. ***We are dependent on third party transportation and logistics service providers for delivery of our products to our customers as well as raw material to our manufacturing facility. Any delay in delivery of our products or raw materials or increase in the charges of these entities could adversely affect our business, results of operations and financial condition. We may also be exposed to the risk of theft, accidents and/or loss of our products in transit.***

Our manufacturing operations are dependent on timely and cost-efficient transportation of raw materials to our facilities and of the products we manufacture to our customers. We transport our raw materials and our finished products by air, road and sea. Depending on the terms of supply, the raw material is delivered by our suppliers on to pay or paid basis or we rely on third party logistic companies and freight forwarders for the delivery of our raw materials. We do not have formal contractual relationships with such logistic companies and freight forwarders. Any disruption in services by such third-party logistic companies and freight forwarders could impact our manufacturing operations and delivery of our finished products to our customers.

Further, transportation strikes could also have an adverse effect on supplies and deliveries to and from our customers and suppliers. Any disruptions of logistics in the future could impair our ability to deliver our products on time, which could materially and adversely affect our business, results of operations and financial condition. Further, depending on the terms of sales, we also rely on third party logistic companies to deliver our finished products on to pay or paid basis. For exports, we sell our finished products on a cost, insurance and freight basis (CIF) or freight on board basis (FOB). For exports, our freight forwarders co- ordinate with the shipping line to file and release the necessary bills of lading or waybills. We are subject to the risk of increases in freight costs. If we cannot fully offset any increases in freight costs through increases in the prices for our products, we would experience lower margins. In addition, any increase in export tariffs would increase our operating expenses which in turn may adversely affect our business, results of operations and financial condition.

Furthermore, we are exposed to the risk of theft, accidents and/or loss of our products in transit. While we believe we have adequately insured ourselves against such risk, we cannot assure you that our insurance will be sufficient to cover the losses arising due to such theft, accidents and/or loss of our products in transit. We cannot assure you that such incidents will not occur in future. Any such acts could result in serious liability claims (for which we may not be adequately insured) which could adversely affect our business, results of operations and financial condition. Any losses or claims from damage containers, not covered by our insurance, could adversely affect our business, results of operations and financial condition.

12. ***The present corporate promoter Indus Petrochem Limited is in the similar line of business activity in which the issuer Company is engaged which may create a conflict of interest. Further, we do not enjoy contractual protection by way of a non-compete or other agreement or arrangement with our corporate promoter.***

Our Corporate Promoter, Indus Petrochem Limited, is engaged in the business of trading in Oleochemicals. The corporate Promoter does not manufacture any specialty chemicals and only trades in Oleochemicals. Our Company has not signed an agreement/ document with our promoter company as to confirm that it will not manufacture or sell products to our customers. There can be no assurance that our Promoter will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have material adverse effect on our reputation, business, results of operations and financial condition.

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

Our manufacturing processes involve manufacturing, storage and transportation of various chemical substances and certain raw materials that we use in the production of our products, and we are required to obtain approvals from various authorities for storing these substances. We are subject to operating risks associated with handling of such materials such as possibility for leakages and ruptures from containers, explosions, and the discharge or release of hazardous substances, which in turn may cause personal injury and environmental contamination. However, there have been no such incidences of leakages and ruptures from containers, explosions, and the discharge or release of hazardous substances happened in the past at our Manufacturing Facilities. In the event of occurrence of any such accidents, our business operations may be interrupted. Any of these occurrences may result in the shutdown of our Manufacturing Facilities and expose us to civil and / or criminal liability which could have an adverse effect on our business, financial condition and results of operations. Further, such occurrences may result in the termination of our approvals for storing such substances or penalties thereunder.

14. ***Our inability to successfully implement some or all our business strategies in a timely manner or at all could have an adverse effect on our business. Further, our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, financial condition and results of operations.***

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

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

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

15. ***We are subject to strict quality requirements and sales of our products is dependent on our quality controls and standards. Any failure to comply with quality standards may adversely affect our business prospects and financial performance, including cancellation of existing and future orders.***

All our products and manufacturing processes are subject to stringent quality standards and specifications of our customers. As a result, any failure on our part to maintain applicable standards and manufacture products according to prescribed quality specifications, may lead to loss of reputation and goodwill, cancellation of the order, loss of customers, rejection of the product, which will require us to incur additional cost, that may not be borne by the customer, which could have an adverse impact on our business prospects and financial performance. Additionally, it could expose us to pecuniary liability and/or litigation. The quality of our products is critical to the success of our business, which, in turn, depends on a number of factors, including the design of our system, and the implementation and application of our quality control policies and guidelines. Any significant failure or deterioration of our quality control system could result in defective or substandard products, which, in turn, may result in delays in the delivery of our products and the need to replace defective or substandard products. Further, we may be required to incur additional expenditure in upgrading our quality control systems and obtain and maintain additional quality certifications and accreditations.

16. ***We are subject to increasingly stringent environmental, health and safety laws, regulations and standards. Non-compliance with and adverse changes in health, safety, labour, and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition.***

We are subject to a wide range of laws and government regulations, including in relation to safety, health, labour, and environmental protection. These safety, health, labour, and environmental protection laws and regulations impose controls on air and water release or discharge, noise levels, storage handling, treatment, processing, along with other aspects of our manufacturing operations. For instance, there is a limit on the amount of pollutant discharge that our manufacturing facility may release into the air and water. Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facility. The occurrence of any of these events could have an adverse effect on our business, results of operations and financial condition.

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

As on the date of this Draft Letter of Offer, we operate one manufacturing facility. In particular, the level of our capacity utilization can impact our operating results. High-capacity utilization allows us to spread our fixed costs, resulting in higher gross profit margin. Our product mix also affects capacity utilization of our manufacturing facility, and the demand and supply balance and the average selling prices of our products, would in turn affect our gross profit margin. Our capacity utilization is affected by the availability of raw materials, industry/ market conditions as well as by the product requirements of, and procurement practice followed by, our customers. In the event that we are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business prospects and financial performance. Further, if our customers place orders for less than anticipated



volume or cancel existing orders or change their policies resulting in reduced quantities being supplied by us, it could result in the under-utilization of our manufacturing capacities. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production or utilization of our manufacturing capacity for a particular product. Any such mismatch leading to over or under utilization of our Manufacturing Facility could adversely affect our business, results of operations, financial condition and cash flows. For further information, see “*Our Business – Capacity and Capacity Utilisation*” on page 82 of this Draft Letter of Offer.

18. ***Our business may expose us to potential product liability claims and recalls, which could adversely affect our results of operations, goodwill and the marketability of our products.***

We may be exposed to risks of products recalls and returns. In addition, we may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. While we have taken insurance to protect us from such claims; however, this insurance coverage may be inadequate or not applicable to a particular set of claims. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation and require our management’s time and focus. Accordingly, such product liability claims, may adversely affect our results of operation, goodwill and the marketability of our products.

19. ***Negative publicity against us, our Promoters, our suppliers, our customers or any of our or their affiliates could cause us reputational harm and could have a material adverse effect on our business, financial condition, results of operations and prospects.***

From time to time, we, our Promoters, our suppliers, our customers or any of our or their affiliates may be subject to negative publicity in relation to our or their business or staff, including publicity covering issues such as anti-corruption, safety and environmental protection. Such negative publicity, however, even if later proven to be false or misleading, and even where the entities or individuals implicated are members or employees of our suppliers, customers or our or their affiliates and not of us, could lead to a temporary or prolonged negative perception against us by virtue of our affiliation with such joint venture partners, suppliers, customers or affiliates. Our reputation in the marketplace is important to our ability to generate and retain business. In particular, damage to our reputation could be difficult and time-consuming to repair, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

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

We have not commissioned an industry report for the disclosures made in the chapter titled “*Industry Overview*” on page 65 of this Draft Letter of Offer and made disclosures on the basis of publicly available data and such data has not been independently verified by us. We have not independently verified such data. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts

and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of and should not place undue reliance on or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

21. ***We enter into certain related party transactions in the ordinary course of our business, and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.***

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. While our Company believes that all such transactions have been conducted on an arm's length basis and are accounted as per Ind AS 24 are in compliance with the provisions of the Companies Act, 2013 and other applicable laws however there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details, see "***Restated Financial Statements – Related Party Disclosures***" on page 128 of this Draft Letter of Offer.

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

We are insured for a number of the risks associated with our several businesses, such as insurance cover against loss or damage by fire, explosion, burglary, theft and robbery. We believe we have got our assets and goods adequately insured; however there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected.

23. ***There might be a potential Conflict of Interest between our Director and our Company due to proposed Acquisition of Land from our Director***

The Company is proposing to acquire a parcel of land from one of its Directors, Jeet Malhotra for business expansion and the Board of our Company has approved the acquisition of the land at its Board Meeting held on August 09, 2024. While the Company intends to conduct the acquisition on an arm's length basis and in compliance with applicable laws and regulations, including obtaining necessary approvals, if any, there can be no assurance that such a transaction will be free from all potential conflicts. Any perceived or actual conflict of interest may have an adverse effect on its business. For further details see "***Objects of the Issue – Land and Location***" on page 54 of this Draft Letter of Offer.

24. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures***

The amount of our future dividend payments, if any, will depend upon factors that our Board deems relevant, including among others, our results of future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and applicable law, including the Companies Act, 2013. There can be no assurance that our Company will pay dividends in the future. We may decide to retain all of our earnings, if any, for use in the operations and expansion of our business. Accordingly, realization of a gain on shareholder investments will depend on the appreciation of the price of the Equity Shares. For further details of payment of dividend by our Company during last three Fiscals, please see "***Dividend Policy***" beginning on page 97 of this Draft Letter of Offer.

## ISSUE SPECIFIC RISK

25. ***We will not distribute this Draft Letter of Offer and the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.***

In accordance with the SEBI ICDR Regulations and SEBI Master Circular our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

26. ***SEBI has by way of circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021, and April 22, 2021, and October 1, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021, and April 22, 2021, October 1, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, please refer to "***Terms of the Issue***" beginning on page 174 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "Sunshield Chemicals Limited Suspense Escrow Demat Account") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

27. ***Our Company is yet to obtain lenders consent for the proposed Issue which could have potential consequences adversely impacting our finances and business prospects.***

While our Company has applied for consent to our lender bank, namely, Axis Bank, for the proposed Rights Issue, we are still to receive the consent. Any failure to obtain such consent may result in future challenges, including but not limited to, actions by the bank under the terms of our loan agreements. Should the lenders deem the absence of their consent as a breach of any covenants or terms, they may exercise their right to accelerate the outstanding debts or enforce penalties. This could have material adverse effects on our financial position, liquidity, and operations. Moreover, failure to address this issue may hinder our ability to access further credit facilities or renegotiate favorable terms with these or other financial institutions in the future. Any such development could adversely impact our financial

performance and business prospects.

- 28. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse if they fail to furnish the details of their demat account to the Registrar.***

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their de-mat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

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

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, please refer to "*Terms of the Issue*" beginning on page 174 of this Draft Letter of Offer.

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

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

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a

resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

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

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

- 33. *Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

- 34. *There is no guarantee that our Equity Shares will be listed in a timely manner or at all, which may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

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

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

- 36. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign

investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

**37. *The sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestment of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

#### **EXTERNAL RISK FACTOR**

**39. *Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.***

Summary statements of assets and liabilities as at March 31, 2024; March 31, 2023; and March 31, 2022 and summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2024, 2023, and 2022 along with the unaudited interim financial statements for the three months periods ended June 30, 2024 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Financial Information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

**40. *Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.***

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

We are dependent on domestic, regional, and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of

India. Demand for our services may be adversely affected by an economic downturn in domestic, regional, and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**41. *A slowdown in economic growth in India could cause our business to suffer.***

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

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

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

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("**ICDS**"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition:

- the General Anti Avoidance Rules ("**GAAR**") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made

- applicable to our Company, it may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

**43. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

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

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe, and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-



term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

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

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

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GOI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

**45. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us withoutonerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non- residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**46. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

**47. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis,

tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**48. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.***

We are incorporated in India, and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;
- hostile or war like situations with the neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis; and

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

**49. *Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity and restrict the ability of key market participants to

operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

## SECTION III – INTRODUCTION

### THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on August 09, 2024, pursuant to Section 62(1)(a) of the Companies Act. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Rights Issue Committee at its meeting held on [●]. The following is a summary of the Issue, and it should be read in conjunction with, and is qualified entirely by, the information set out in the chapter titled “*Terms of the Issue*” beginning on page 174 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
<b>Rights Equity Shares proposed to be issued</b>	Up to [●] Equity Shares
<b>Rights Entitlement</b>	[●] Equity Share for every [●] fully paid-up Equity Share(s) held on the Record Date
<b>Fractional Entitlement</b>	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any
<b>Record Date</b>	[●]
<b>Face Value per Equity Share</b>	₹10
<b>Issue Price per Rights Equity Shares</b>	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
<b>Issue Size</b>	Upto [●] Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] (including a premium of ₹ [●]) per Rights Equity Share aggregating up to ₹ 15,000 Lakhs <sup>#</sup> <i># Assuming full subscription, to be adjusted as per the Rights Entitlement ratio</i>
<b>Dividend</b>	Such dividend as may be declared by our Board and our shareholders, as per applicable laws
<b>Equity Shares issued, subscribed and paid up prior to the Issue</b>	7,35,30,600 Equity Shares. For details, please refer to “ <i>Capital Structure</i> ” beginning on page 48 of this Draft Letter of Offer
<b>Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)</b>	[●] <sup>#</sup> Equity Shares <i># Assuming full subscription</i>
<b>Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)</b>	[●]
<b>Money payable at the time of Application</b>	[●]
<b>Scrip Details</b>	ISIN: INE199E01014 BSE: 530845
<b>ISIN for Rights Entitlements</b>	[●]
<b>Use of Issue Proceeds</b>	For details, please refer to “ <i>Objects of the Issue</i> ” beginning on page 51 of this Draft Letter of Offer.
<b>Terms of the Issue</b>	For details, please refer to “ <i>Terms of the Issue</i> ” beginning on page 174 of this Draft Letter of Offer.
<b>Terms of Payment</b>	For details, please refer to “ <i>Terms of the Issue</i> ” beginning on page 174 of this Draft Letter of Offer.

<b>Particulars</b>	<b>Details of Equity Shares</b>
<b>Due Date</b>	On the Issue application (i.e. along with the Application Form)
<b>Amount payable per Rights Equity Shares (including premium)</b>	[●]

Please refer to the chapter titled “*Terms of the Issue*” on page 174 of this Draft Letter of Offer.

### **Issue Schedule**

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

<b>Event</b>	<b>Indicative Date</b>
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights**	[●]
Issue Closing Date*	[●]

\*The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.

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

## GENERAL INFORMATION

Our Company was incorporated as "Sunshield Chemicals Private Limited" on November 19, 1986, as a Private Limited Company under the provisions of the Companies Act, 1956 and was granted the Certificate of Incorporation by the Registrar of Companies, Mumbai. Subsequently our Company was converted into a Public Limited Company and the name of our Company was changed to "Sunshield Chemicals Limited" on May 28, 1992, vide a fresh certificate of incorporation issued by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is L99999MH1986PLC041612. The registered office of the Company was changed from Equinox Business Park, Tower - 4, 9th Floor Unit No. 903, LBS Marg, Kurla (West), Mumbai – 400070, Maharashtra, India to 1501-A, Universal Majestic, P.L. Lokhande Marg Behind R.B.K International Academy, Chembur, Mumbai – 400043, Maharashtra, India with effect from December 01, 2021.

### **Registered Office**

1501-A, Universal Majestic,  
P.L. Lokhande Marg,  
Behind R.B.K. International Academy,  
Chembur, Mumbai – 400043

**Telephone:** +91 022-25550126

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

**E-mail:** [info@sunshieldchemicals.com](mailto:info@sunshieldchemicals.com)

**Corporate Identity Number:** L99999MH1986PLC041612

**Registration Number:** 041612

Our Company does not have a corporate office.

### **Address of the Registrar of Companies**

Our Company is registered with the RoC, Mumbai, which is situated at the following address

### **Registrar of Companies,**

100, Everest, Marine Drive,  
Mumbai – 400002, Maharashtra.

**Telephone:** +91 022-22812627

**Website:** [www.mca.gov.in](http://www.mca.gov.in)

**E-mail:** [roc.mumbai@mca.gov.in](mailto:roc.mumbai@mca.gov.in)

### **Company Secretary and Compliance Officer**

#### **Amit Ashok Kumashi**

1501-A, Universal Majestic,  
P.L. Lokhande Marg,  
Behind R.B.K. International Academy,  
Chembur, Mumbai – 400043

**Telephone:** +91 22-25550126

**E-mail:** [amit.kumashi@sunshieldchemicals.com](mailto:amit.kumashi@sunshieldchemicals.com)

### **Legal Advisor to the Issue**

#### **Rajani Associates, Advocates and Solicitors**

204-207, Krishna Chambers  
59, New Marine Lines  
Mumbai 400 020

Telephone: +91 22 4096 1002

E-mail: [sangeeta@rajaniassociates.net](mailto:sangeeta@rajaniassociates.net)

Contact Person: Sangeeta Lakhi

## Board of Directors of our Company

Name	Age	Designation	Address	DIN
Jeet Sudhir Malhotra	27	Managing Director & CEO	102 Menka Apartments CHSL, Ghatla Road No. 5, Diamond Garden Chembur, Mumbai – 400071	07208234
Ajit Chinubhai Shah	78	Non-Executive Independent Director	Mansen Barrister Building, 1 <sup>st</sup> floor, 17/A Banganga Cross Lane, Walkeshwar, Malabar Hill, Mumbai – 400006	02396765
Maya Parihar Malhotra	58	Non-Executive Director & Chairperson	102 Menka Apartments CHSL, Ghatla Road No. 5, Diamond Garden Chembur, Mumbai – 400071	00302976
Anand Laxminarain Parihar	61	Non-Executive Director	Angelica Plaza, Near Uttam Society, St. Anthonys Road, Chembur, Mumbai – 400071	00513109
Cyrus Poonevala	63	Non-Executive Independent Director	B – 708 Rainbow, Raheja Vihar, Chandivali Road, Powai, Saki Naka, Mumbai – 400072	09420865
Aruna Vilas Soman	71	Non-Executive Independent Director	501, Vidya Apartments, 168 Veer Savarkar Marg, Near Bombay Scottish School, Mahim West, Mumbai – 400016	03622209
Ranjal Laxmana Shenoy	76	Non-Executive Independent Director	Kamdar park CHS, off Gokhale Road, Agar Bazar, Dadar West, Mumbai – 400028	00074761

For a detailed profile of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 87 of this Draft Letter of Offer

## Details of Key Intermediaries pertaining to this Issue of our Company

### Lead Managers to this Issue

#### Fortress Capital Management Services Private Limited

2nd Floor, Daryanagar House,  
69, Maharshi Karve Road,  
Mumbai – 400002

**CIN:** U67120MH2004PTC145815

**Telephone:** +91 022-22007973

**E-mail:** [hiteshdoshi@fortress.co.in](mailto:hiteshdoshi@fortress.co.in)

**Investor grievance e-mail:** [info@fortresscapital.in](mailto:info@fortresscapital.in)

**Contact person:** Hitesh Doshi

**Website:** [www.fortresscapital.in](http://www.fortresscapital.in)

**SEBI registration no.:** INM000011146

### Registrar and Share Transfer Agent to the Issue

#### Bigshare Services Private Limited

Office No. S6-2, 6th Floor,  
Pinnacle Business Park,  
Next to Ahura Centre,  
Mahakali Caves Road,  
Andheri (East) Mumbai 400 093  
**Telephone:** +91 22 6263 8200

**Email:** [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Investor grievance e-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact Person:** Suraj Gupta  
**SEBI Registration No.:** INR000001385  
**Validity of Registration:** Perpetual

**Banker to the Issue/ Escrow Collection Bank/ Refund Bank**

[•]

**Statutory Auditors of the Issuer**

**CNK & Associates LLP**  
Mistry Bhavan, 3<sup>rd</sup> Floor,  
Sir Dinshaw Vachha Road,  
Churchgate, Mumbai - 400020  
**Firm Registration Number:** 101961W/ W100036  
**Contact person:** Diwakar Sapre  
**Membership No.:** 040740  
**Telephone Number:** +91 22 6623 0600  
**E-mail:** [diwakar@cnkindia.com](mailto:diwakar@cnkindia.com)  
**Peer review Certificate Number:** 017169

**Designated Intermediaries**

The list of banks that have been notified by SEBI to act as SCSBs or the SBA Process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On allotment, the amount will be unblocked, and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

**Experts**

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

Our Company has received a written consent dated September 30, 2024 from our Statutory Auditors, CNK & Associates LLP, to include their name in this Draft Letter of Offer as an "expert", as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as statutory auditors, and in respect of (i) examination report dated August 24, 2024 on our Restated Consolidated Financial Statements for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022; (ii) limited review report dated August 09, 2024 on our Limited Review Financial Statements for the three month period ended June 30, 2024; and (iii) the statement of tax benefits dated September 30, 2024 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received a written consent dated September 28, 2024 from Ashok Sonje, Chartered Engineer, to include his name as an "expert" as defined under section 2(38) and 26(5) of the Companies Act, 2013 to the extent and in his capacity as the independent chartered engineer and in respect of the certificate issued by him and included in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of offer.

**Investor grievances**

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.



Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

### **Statement of Inter-se Allocation of Responsibilities**

Fortress Capital Management Services Private Limited is the sole Lead Manager to the Issue and shall be responsible for all the activities in relation to the Issue. Accordingly, an inter-se allocation of responsibilities is not required to be provided.

### **Credit Rating**

This is an issue of Equity Shares; credit rating is, therefore, not required.

### **Debenture Trustees**

This is an issue of Equity Shares; the appointment of Debenture trustees is, therefore, not required.

### **Monitoring Agency**

Our Company will appoint a monitoring agency, in accordance with Regulation 82 of the SEBI ICDR Regulations, prior to filing of the Letter of Offer with the Stock Exchanges. For details in relation to the proposed utilisation of the Net Proceeds, see “*Objects of the Issue*” on page 51 of this Draft Letter of Offer.

### **Underwriting Agreement**

The Issue is not underwritten, and our Company has not entered into any underwriting agreement.

### **Changes in Auditors during the last three years**

<b>Particulars</b>	<b>Date of change</b>	<b>Reasons for change</b>
<b>Deloitte Haskins and Sells LLP</b> One International Center, Tower 3, 27th -32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013, Maharashtra, India <b>Email:</b> <a href="mailto:raksharma@deloitte.com">raksharma@deloitte.com</a> <b>Telephone:</b> +91 22 6185 4000 <b>Firm Registration No.:</b> 117366W/W-100018	June 17, 2022	Resignation
<b>CNK &amp; Associates LLP</b> Mistry Bhavan, 3 <sup>rd</sup> Floor, Sir Dinshaw Vachha Road, Churchgate, Mumbai - 400020 <b>E-mail:</b> <a href="mailto:diwakar@cnkindia.com">diwakar@cnkindia.com</a> <b>Telephone Number:</b> +91 22 6623 0600 <b>Firm Registration No.:</b> 101961W/ W100036 <b>Membership No.:</b> 040740 <b>Peer review Certificate Number:</b> 017169	June 27, 2022	Appointment due to casual vacancy

### **Issue Schedule**

<b>Last Date for credit of Rights Entitlements</b>	[●]
<b>Issue Opening Date</b>	[●]
<b>Last date for On Market Renunciation of Rights Entitlements<sup>#</sup></b>	[●]
<b>Issue Closing Date<sup>*</sup></b>	[●]
<b>Finalization of Basis of Allotment (on or about)</b>	[●]
<b>Date of Allotment (on or about)</b>	[●]
<b>Date of credit (on or about)</b>	[●]
<b>Date of listing (on or about)</b>	[●]

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

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

The above schedule is indicative and does not constitute any obligation on our Company of the Lead Manager

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date have not provided details of their demat accounts to our Company or to the Registrar, they must provide their demat account details to our Company or the Registrar no later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable credit of the Rights Entitlements to their respective demat accounts by transfer from the demat suspense escrow account, which will happen one day prior to the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. It is encouraged that the Application Forms are submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, please refer to "**Terms of the Issue - Procedure for Application**" beginning on page 184 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholder may be accessed by such respective Eligible Equity Shareholder on the website of the Registrar at [www.linkintime.co.in](http://www.linkintime.co.in) after keying in their respective details along with other security control measures implemented thereat. For further details, please refer to "**Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**" beginning on page 177 of this Draft Letter of Offer.

**Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before the Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from the market and the purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who receive credit of the Rights Entitlements must make an Application to subscribe to the Equity Shares offered under the Rights Issue.**

### **Minimum Subscription**

Our Promoter vide its letter dated September 30, 2024 (the "**Subscription Letter**"), has undertaken to: (a) subscribe, to the full extent of its Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in its favour by any Promoter Group member or may renounce its Rights Entitlements in part or full to the Promoter Group members; and (b) subscribe for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue. Such subscription, if any, to be made by us, shall be in accordance with Regulation 3 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended (the "**Takeover Code**") and the exemption under Regulation 10(4) of Takeover Code. Further, such subscription shall not result in breach of minimum public shareholding requirement stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities Contracts (Regulation) Rules, 1957, as amended.

Since our Promoter has decided to subscribe to the full extent of their Rights Entitlements or renounce its Rights

Entitlements in part or full to the Promoter Group members as permissible by law, the minimum subscription criteria provided under Regulation 86 (1) of the SEBI ICDR Regulations will not apply.

### **Appraising Entity**

The objects of this Issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

### **Filing**

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since the size of this Issue falls above this threshold, this Draft Letter of Offer has been filed with SEBI for its observations, at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI intermediary portal at [siportal.sebi.gov.in](http://siportal.sebi.gov.in) in terms of the SEBI circular bearing reference no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, and with the Stock Exchanges. After SEBI gives its observations, the Letter of Offer will be filed with SEBI and the Stock Exchanges per the provisions of the SEBI ICDR Regulations.

## CAPITAL STRUCTURE

The share capital of our Company, as at the date of this Draft Letter of Offer, and details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below:

		<i>(in ₹, except shares data)</i>	
		Aggregate value at Face Value	Aggregate value at Issue Price
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	20,00,00,000 Equity Shares of ₹10 each	2,00,00,00,000	
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	7,35,30,600 Equity Shares of ₹10 each	73,53,06,000	-
<b>C</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER<sup>(1)</sup></b>		
	Up to [●] Equity Shares, each at a premium of ₹ [●] per Equity Share, i.e., at a price of ₹ [●] per Equity Share	[●]	[●]
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE</b>		
	[●] Equity Shares of ₹ [●] each, fully paid up <sup>#(1)</sup>	[●]	[●]
<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue		[●]
	After the Issue <sup>(2)</sup>		[●]

<sup>#</sup> To be updated upon finalisation of the Issue Price.

<sup>(1)</sup> The Issue has been authorised by our Board pursuant to a resolution dated August 09, 2024. The terms of the Issue, including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by our Rights Issue Committee at their meeting held on [●].

<sup>(2)</sup> Assuming full subscription for, and Allotment of, the Equity Shares. Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses.

### Notes to the Capital Structure

#### 1. Intention and extent of participation by our Promoters and Promoter Group in the Issue:

Our Promoter vide its letter dated September 30, 2024 (the “**Subscription Letter**”), has undertaken to: (a) subscribe, to the full extent of its Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in its favour by any Promoter Group member or may renounce its Rights Entitlements in part or full to the Promoter Group members; and (b) subscribe for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue. Such subscription, if any, to be made by us, shall be in accordance with Regulation 3 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended (the “**Takeover Code**”) and the exemption under Regulation 10(4) of Takeover Code. Further, such subscription shall not result in breach of minimum public shareholding requirement stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities Contracts (Regulation) Rules, 1957, as amended.

Since our Promoter has decided to subscribe to the full extent of their Rights Entitlements or renounce its Rights Entitlements in part or full to the Promoter Group members as permissible by law, the minimum subscription criteria provided under Regulation 86 (1) of the SEBI ICDR Regulations will not apply.

#### 2. The ex-rights price of the Equity Shares offered pursuant to this Issue and in compliance with the valuation formula set out in Regulation 10(4)(b)(ii) of the Takeover Regulations is ₹ [●] per Equity

Share.

3. As on the date of this Draft Letter of Offer, our Company has no partly paid-up Equity Shares. The Rights Equity Shares, pursuant to this Issue shall be fully paid-up.
4. **Shareholding Pattern of our Company as per the last filing with the Stock Exchange, in compliance with the provisions of the SEBI LODR Regulations:**
  - (i) The shareholding pattern of our Company, as on June 30, 2024, may be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/sunshield-chemicals-ltd/sunshiel/530845/shareholding-pattern/>
  - (ii) A statement as on June 30, 2024, showing holding of Equity Shares of persons belonging to the category of "Promoter and Promoter Group", including details of lock-in, pledge and encumbrance thereon, may be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=530845&qtrid=122.00&QtrName=June%202024>
  - (iii) A statement as on June 30, 2024, showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", including equity shareholders holding more than 1% of the total number of Equity Shares, as well as details of shares which remain unclaimed may be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpdrPerct.aspx?scripcd=530845&qtrid=122.00&CompName=SUNSHIELD%20CHEMICALS%20LTD.&QtrName=June%202024&Type=TM>
  - (iv) A statement as on June 30, 2024, showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", may be accessed on the website of the NSE <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=530845&qtrid=122.00&QtrName=June%202024>
5. **Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchange**

The table sets forth the details of the Equity Shareholders holding more than 1% of the issued and paid-up Equity Share capital of our Company, as of June 30, 2024:

Sr. No.	Name of Equity Shareholders	Number of Equity Shares held	Percentage of Equity Shares held
1.	Indus Petrochem Limited	45,85,396	62.36
2.	Habrok India Master Lp	1,47,702	2.01
3.	Cassini Partners, L.P. Managed By Habrok Capital Management Llp	1,77,568	2.41
4.	Dipak Kanayalal Shah	75,000	1.02
5.	Lincoln P Coelho	80,000	1.09

6. **Details of shares locked-in, pledged, encumbrance by Promoters and Promoter Group:**

The details of shares locked-in, pledged and encumbered by the Promoters and Promoter Group may be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=530845&qtrid=122.00&QtrName=June%202024>

7. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing this Draft Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.

8. At any given time, there shall be only one denomination of the Equity Shares of our Company.

9. **Details of outstanding securities of our Company**

As on date of this Draft Letter of Offer, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.

Further, the Rights Equity Shares allotted pursuant to the Rights Issue, shall be fully paid up. For further details on the terms of the Issue, please see the section entitled “*Terms of the Issue*” on page 174.

## OBJECTS OF THE ISSUE

Our company intends to utilize the net proceeds from the issue towards the following objects:

1. Repayment or prepayment, in full or in part, of certain borrowings availed by our Company.
2. Setting up of projects for expansion, modernization and allied activities.
3. General corporate purposes.

(collectively, referred to as the “Objects”)

Our Memorandum of Association enables us to pursue our existing activities, and the activities for which the funds are being raised by our Company in the Issue.

### Issue Proceeds

The details of the net proceeds are summarized in the table below

<i>(in ₹ lakhs)</i>	
Particulars	Amount
Gross proceeds*	15,000
Less: Estimated Issue related expenses**	[●]
Net Proceeds**	[●]

\* Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted as per the Rights Entitlement ratio.

\*\* Estimated and to be finalized upon determination of the Issue Price and updated in the Letter of Offer.

See “Estimated Issue Related Expenses” on page 58 of the chapter titled “Objects of the Issue”.

### Requirement of Funds and utilisation of Net Proceeds

The proposed utilization of net proceeds by our Company is set forth in the table below

<i>(in ₹ lakhs)</i>	
Particulars	Estimated amount
Repayment or prepayment, in full or in part, of certain borrowings availed by our Company	9178
Setting up of projects for expansion, modernization and allied activities	2150
General Corporate Purposes	[●]*
<b>Total Net Proceeds**</b>	<b>[●]</b>

\* To be finalized upon determination of Issue Price and updated in the Letter of Offer. Subject to the finalization of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

\*\* Assuming full subscription in the Issue.

### Means of Finance

The funding requirements mentioned above are based on the internal management estimates of our Company and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, and interest or exchange rate fluctuations. Consequently, the funding requirements of our Company and deployment schedules are subject to revision in the future at the discretion of our management, subject to applicable law. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, subject to compliance with applicable laws.

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

### Schedule of Implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purpose in accordance with the estimated schedule of deployment of funds set forth in the table below;

<i>(in ₹ lakhs)</i>			
Particulars	Total estimated amount/expenditure	Estimated utilization from Net Proceeds	Estimated deployment of the Net Proceeds in [Fiscal 2025]
Repayment or prepayment, in full or in part, of certain borrowings availed by our Company	9178	9178	9178
Setting up of projects for expansion, modernization and allied activities	2150	2150	2150
General Corporate Purposes*	[●]	[●]	[●]
<b>Total Net Proceeds**</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\*To be finalized upon determination of Issue Price and updated in the Letter of Offer. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

\*\* Assuming full subscription in the Issue.

In the event that the estimated utilization of the Net Proceeds in a scheduled Fiscal is not completely met (in full or in part), due to factors such as (i) economic and business conditions; (ii) the timing of completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in full or in part) in subsequent periods as may be determined by our Company, in accordance with applicable laws. Any change in estimated schedule of utilization shall be subject to shareholders' approvals and in accordance with applicable laws.

In the event that the Net Proceeds are not completely utilized for the purposes stated above and as per the estimated schedule of utilization specified above, the same would be utilized in subsequent Financial Years for achieving the Objects.

#### **Details of the Object**

The details in relation to the Objects are set forth herein below

##### **1. Repayment or prepayment, in full or in part, of certain borrowings availed by our company**

Our company has, in regular course of business, entered into borrowing arrangements with scheduled commercial banks. The outstanding borrowing arrangements entered by us includes debt in the form of, *inter alia*, term loans and working capital loans. Further, our Company has also entered into a loan agreement with our corporate promoter, Indus Petrochem Limited, to avail an unsecured loan. Additionally, the aggregate outstanding amounts under these borrowings may vary from time to time, and our Company may, in accordance with the relevant repayment schedule, repay or refinance, or prepay, some of its existing borrowings. Therefore, the details of the term loan and working capital loans proposed to be repaid or prepaid from the proceeds of the Issue may change between the filing of this Draft Letter of Offer and the Letter of Offer.

As on September 30, 2024, the amount outstanding under long term borrowing arrangements of our Company was ₹6802 lakhs and short term borrowing arrangement of our Company as on September 29, 2024 was ₹3299 lakhs. Our company proposes to utilise an estimated amount of ₹ 9178 lakhs from the Net Proceeds towards full or partial repayment or pre-payment of borrowings availed by our Company. Our Company may avail further loans and/ or draw down further funds under existing or new borrowing arrangements, from time to time. Further, our Company is in the process of obtaining consents from the lenders of these borrowings and made intimations to lenders, as applicable, as on the date of this DLOF. The amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

The following table provides details of certain borrowings availed by our Company from other lenders, which are outstanding as on September 30, 2024, which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds.



Name of the Lender	Nature of Borrowing	Sanctioned Amount (in ₹ lakhs)	Principal amount outstanding as on September 30, 2024 (in ₹ lakhs)	Tenure of repayment	Rate of interest as on September 30, 2024 (in %)
HDFC Bank Limited	Term Loan (Capex-1)	1000	373	The loan is repayable in 37 equal monthly instalments	9.10% p.a.
HDFC Bank Limited	Term Loan (Capex-2)	1500	1006	The loan is repayable in 62 equal monthly instalments	10.03% p.a.
HDFC Bank Limited	Term Loan (Capex-3)	1000	1000	The loan is repayable in 60 equal monthly instalments	9.83% p.a.
HDFC Bank Limited	Working Capital Loan	4000	3299*	Monthly	8.70% p.a. to 9.70% p.a.
<b>Total</b>			5678		

*Notes:*

1. Our Company has obtained a certificate dated 30 September, 2024, from CNK & Associates LLP., Chartered Accountants who have certified that the borrowings mentioned in the table above have been utilised towards the purposes for which such borrowings were availed.
2. \*The figures of outstanding Working Capital Loan position from HDFC Bank Limited are closing balance as at September 29, 2024.

The following table provides details of the unsecured borrowings availed by our company from Indus Petrochem Limited in terms of the Loan Agreement:

Name of the lender	Date of Agreement	Purpose	Nature of borrowing	Sanctioned Amount (in ₹ lakhs)	Principal amount outstanding as on September 29, 2024 (in ₹ lakhs)	Rate of interest	Tenure of loan
Indus Petrochem Limited	29.11.2021	To repay the loans taken by company from erstwhile promoters	Unsecured Loan	3500	3500	8.75% p.a.	Full Repayment on due date i.e. 30 May 2025

*Notes:*

1. Our company has obtained a certificate dated 30 September, 2024, from CNK & Associates LLP., Chartered Accountants who have certified that the unsecured borrowings availed by our Company under the Loan Agreement, has been utilised towards the purpose for which such borrowing was availed.

We believe that such repayment and/or pre-payment of our borrowings will help reduce our outstanding indebtedness and debt servicing costs and enable utilisation of our accruals for further investment in our business growth and expansion.

We have considered the following factors for identifying the loans that will be repaid or prepaid out of the Net Proceeds:

1. Costs, expenses and charges relating to the facility including interest rates involved;
2. Presence of onerous terms and conditions under the facility;
3. Ease of operation with the lender;
4. Terms and conditions of consents and waivers;
5. Provisions of any legal requirements governing such borrowings; and/or
6. Other commercial considerations including, *inter alia*, the amount of the loan outstanding and the remaining tenor of the loan.

Our Company may utilise the Net Proceeds for part prepayment of any such refinanced facilities or repayment of any additional facilities obtained by our company. However, the aggregate amount to be utilised from the Net Proceeds towards repayment and/or prepayment, in part or full of such borrowings (including refinanced or additional facilities availed, if any), would not exceed ₹11,000 lakhs. In light of the above, at the time of filing the Letter of Offer, the table above shall be suitably updated to reflect the revised amounts, loans or borrowings, as the case may be. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular Financial Year may be repaid/ pre-paid in part or full by our Company in the subsequent Financial Year.

**2. *Setting up of project for expansion, modernization and allied activities.***

The purpose of the project is to establish storage tanks and warehouse capacity, which is essential for meeting the increased demand for raw materials and finished goods in our production processes. By completing this project, we aim to align our operations with customer requirements and ensure we can effectively respond to market demands.

*Land and Location*

The land on which the expansion project is proposed to be set up is located at Village Rasal, Pali-Khopoli Road, Taluka Sudhagad, District Raigad, Maharashtra India. This land is located adjacent to our existing manufacturing plant. Our Company has entered into Memorandum of Understanding dated August 9, 2024 with Mr. Jeet Malhotra, Director of our Company for acquisition of the said land and the resolution for the same has been passed by the Board of Directors of the Company dated August 9, 2024 for the said land which will be acquired by our Company through internal accruals and no proceeds of the rights issue are proposed to be utilized for the acquisition of the land.

The details of the land proposed to be acquired is given below.

<b>Land No.</b>	<b>Total Area</b>	<b>Area proposed to be utilized for the project</b>	<b>Owner Name</b>
31/7	9900 Sq. mtr	9900 Sq. mtr	Jeet Malhotra
32/4	4690 Sq. mtr.	4690 Sq. mtr.	Jeet Malhotra

*Estimated cost*

The total estimated cost of the project is ₹ 2250 lakhs, as certified by Ashok Sonje, an independent chartered engineer having membership number F-1296155. The detailed break-down of estimated cost is set forth below.

<b>Particulars</b>	<b>Total Estimated (in Rs. lakhs)</b>
Civil Works	885
Plant and Machinery	1365

*Civil works*

The total estimated cost for civil works for the project is ₹ 885 lakhs. The breakdown of the associated costs is set forth below:

<b>Particulars</b>	<b>Total estimated cost</b>	<b>Vendor Name</b>	<b>PO Date</b>	<b>Delivery Date</b>
Warehouse Project Civil Construction Work	3,10,33,616.50	Limbhore Engineering Contractors Pvt Ltd	04-03-2024	08-03-2024
Fabrication & Erection Of Npp Tank	1,53,63,600.00	Shri Ganesh Electricals & Fabricat	17-06-2024	22-06-2024

<b>Particulars</b>	<b>Total estimated cost</b>	<b>Vendor Name</b>	<b>PO Date</b>	<b>Delivery Date</b>
NPP Tank Farm Construction	68,45,480.89	Limbhore Engineering Contractors Pvt Ltd	08-03-2024	15-03-2024
Ss Tank Fabrication & Erection Work	55,52,136.00	Partha Engineers	13-08-2024	30-08-2024
New Warehouse Civil Work	53,04,973.20	Limbhore Engineering Contractors Pvt Ltd	08-08-2024	14-08-2024
NPP Tank Farm Pipe Fitting	37,85,109.60	Sheth Trading Corporation	17-08-2024	26-08-2024
NPP Tank Farm Pipe Rack Fabrication And Erection	35,48,760.32	Partha Engineers	13-08-2024	30-08-2024
New Tank Farm-Commissioning Activity Of Instruments	29,60,443.00	Prathit Automation Technologies Pvt.Ltd.	18-09-2024	31-12-2024
50 KL And 35 KL Tank Fabrication	24,23,720.00	Technocrat Solutions	21-05-2024	31-05-2024
New Tank Farm - Cable Tray Instrumentation	23,56,224.00	Bravo Cable Trays Private Limited	19-08-2024	04-09-2024
Steam Line Tankfarm	18,85,785.14	Forbes Marshall Pvt Ltd	12-08-2024	04-09-2024
Ware House Structure	16,37,837.76	Sheth Trading Corporation	14-08-2024	20-08-2024
NPP Tank Farm Pipe Rack Structure	15,18,676.99	Sheth Trading Corporation	09-08-2024	14-08-2024
Civil Work-Providing & Laying M-20 Concrete Floor & Road Work for Storage of Finish Goods	12,63,485.00	Limbhore Engineering Contractors Pvt Ltd	08-04-2024	18-04-2024
Service In Respect of Architect, Civil & Structural Design of Warehouse	10,82,178.00	Nirav Navneetrai Shah	29-12-2023	26-12-2023
Parking Boundary Wall Construction Work	10,25,095.50	Vishwas Gadre And Associates	22-02-2024	27-02-2024
Ware House Structure	9,61,110.00	Sheth Trading Corporation	08-08-2024	13-08-2024

### *Procurement of plant and machinery*

While, the estimated cost for the project in relation to procurement of plant and machinery is ₹ 1365 lakhs, it is based on our current estimates and may be subject to change due to the ancillary activities. The specific number and nature of such plant and machinery to be procured by our Company will depend on our business requirements. Therefore, the details of the plant and machinery to be procured from the proceeds of the Issue may change between the filing of this Draft Letter of Offer and the Letter of Offer.

A list of such plant and machinery that we intend to purchase, along with details of the work orders/purchase orders we have placed in this respect is set forth below.

### *Machinery and other details*

<b>Machinery Name</b>	<b>Cost of Machine (Rs.)</b>	<b>Vendor Name</b>	<b>Date of placement order</b>	<b>Date of supply</b>
Plate For Npp Tank Farm	2,50,28,319.20	Jindal Stainless Limited	01-07-2024	05-08-2024
Material For Tank Farm Pipe	1,15,29,036.60	Sheth Trading Corporation	02-09-2024	07-09-2024
Reach Truck For Warehouse	80,83,000.00	Toyota Material Handling India Private Limited	10-06-2024	10-08-2024
Material For Three Coil And Single Coil Pipe	75,25,243.50	Sheth Trading Corporation	02-09-2024	07-09-2024
Valves For Npp Tankfarm.	66,41,635.94	Liberty Valves Private Limited	12-08-2024	26-09-2024
Material For Warehouse Racking System	65,47,938.00	Toros Engineering	04-09-2024	05-10-2024
Ss Plates For 100kl Tank For Tank Fabrication	63,08,280.00	Jindal Stainless Limited	15-05-2024	12-06-2024
Ss Plates For 35kl & 50kl Tanks For Tank Fabrication	58,74,276.00	Jindal Stainless Limited	15-05-2024	12-06-2024
New Tank Farm- On-Off Valves	51,92,000.00	Integral Process Controls India Pvt Ltd	25-07-2024	10-10-2024
New Tank Farm Centrifugal Pumps	50,74,000.00	Microfinish Pumps Pvt Ltd	18-04-2024	06-08-2024
Imcc For Tank Farm Project	50,74,000.00	Technocrafts Switchgears Private Limited	02-03-2024	13-05-2024
New Tank Farm- Instrumentation Cables	48,40,336.40	Srico Marketing Private Limited	17-08-2024	10-09-2024
Electrical Material For Tankfarm	32,26,984.70	Srico Marketing Private Limited	13-08-2024	29-08-2024
Ware House Structural Material	30,83,770.70	Sheth Trading Corporation	30-07-2024	02-08-2024
Structural Material & Foundation Bolt Use In Tank Farm Pipe Rack	29,94,237.28	Sheth Trading Corporation	08-08-2024	14-08-2024

<b>Machinery Name</b>	<b>Cost of Machine (Rs.)</b>	<b>Vendor Name</b>	<b>Date of placement order</b>	<b>Date of supply</b>
Requirement Of Gear Pump For Npp Tankfarm	28,04,860.00	Delta P D Pumps Pvt Ltd	03-05-2024	12-08-2024
New Tank Farm - Level Transmitters	27,55,347.20	Endress + Hauser (India) Pvt. Ltd	01-08-2024	28-09-2024
Material For Tank Farm Pipe	24,00,929.48	R S Tube Industries	02-09-2024	07-09-2024
Ware House Roofing, Clading,Flashing & Ridge Vent Material Supply	23,66,171.40	Faisal Roofing Solution (I) Private Limited	10-09-2024	17-09-2024
NPP Tank Farm Curb Angle Tank	20,04,506.07	Sheth Trading Corporation	23-08-2024	26-08-2024
New Tank Farm - Ss Tubes & Fittings	16,12,457.02	Trueway Engineeering Industries	21-08-2024	11-09-2024
Tmt Steel Bar	13,98,064.00	Sheth Trading Corporation	03-09-2024	07-09-2024
Ware House Crz Purline	14,14,512.09	Maxroof Corporation Private Limited	21-08-2024	03-09-2024
TMT Steel Bar Fe-500D For New Warehouse Project Work	13,98,064.00	Sheth Trading Corporation	03-09-2024	07-09-2024
500 TMT Bars for New Warehouse Project Work	13,55,978.12	Hemchanda Enterprises Private Limited	20-02-2024	27-02-2024
TMT Bar 550D Required for New Warehouse & Tankfarm Project	11,82,714.00	Hemchanda Enterprises Private Limited	05-07-2024	13-07-2024
500D TMT Steel Bar for New Warehouse & Tankfarm Project Work	11,56,400.00	Sheth Trading Corporation	31-08-2024	04-09-2024
500D Grade TMT Bar Required For New Warehouse Project	11,04,928.40	Sheth Trading Corporation	09-05-2024	06-06-2024
Electrical Installation for NPP Tank Farm Project	10,87,129.28	Abhay Enterprise	10-09-2024	15-09-2024
NPP Tank Farm Nozzle Flange	9,79,612.40	R K Trading	22-08-2024	28-08-2024
Steel TMT Bar for New Tank Farm & Pump Foundation Project	9,43,899.70	Sheth Trading Corporation	10-01-2024	13-01-2024
Equipment For Warehouse BOPT	9,08,600.00	Toyota Material Handling India Private Limited	06-09-2024	28-09-2024

<b>Machinery Name</b>	<b>Cost of Machine (Rs.)</b>	<b>Vendor Name</b>	<b>Date of placement order</b>	<b>Date of supply</b>
NPP Tank Farm Air Receiver and Nitrogen Receiver	9,06,471.28	Galaxy Industrial Equipments Private Limited	20-08-2024	30-10-2024
Dock Leveler Required For New Warehouse	8,85,000.00	Jay Equipment & Systems Pvt. Ltd	19-07-2024	27-08-2024
Material For Instrument Air Piping	8,59,807.00	Sheth Trading Corporation	02-09-2024	07-09-2024

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the vendor entities from whom we are purchasing the plant and machineries.

#### *Project schedule*

The detailed schedule of the implementation of the project is set forth below:

<b>Particulars</b>	<b>Estimated date of commencement</b>	<b>Estimated date of completion</b>
Commencement of Foundation work for warehouse	15.03.2024	30.06.2024
Commencement of Plinth work for warehouse	15.08.2024	31.10.2024
Commencement of Foundation work for Tank Farm	15.03.2024	30.06.2024
Commencement of structure work for warehouse	15.11.2024	31.01.2024
Commencement of structure work for Tankfarm	15.10.2024	31.12.2024
Fabrication work & Internal Work and Painting work for warehouse and Tank Farm	10.01.2024	31.03.2025

Entire Project is due to be completed on or before 31.03.2025.

#### *Details of means of Finance*

<b>Particulars</b>	<b>Amount (in Rs. lakhs)</b>
Cost of the Expansion Project	2250
Amount proposed to be financed from the Net Proceeds	2150

### **3. General Corporate Purposes**

Our Company intends to deploy the balance Net Proceeds aggregating up to ₹ [●] lakhs towards general corporate purposes, provided that the amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth including, acquiring assets which our Company may require in the course of any business and any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof, subject to meeting regulatory requirements and obtaining necessary approvals/consents, as applicable. Our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

#### **Estimated Issue related expenses**

The estimated issue related expenses are as follows:

<b>Particulars</b>	<b>Estimated amount*</b>	<b>As a % of the total estimated Issue expenditure</b>	<b>As a % of total issue size</b>
Fee payable to the Lead Manager (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Fee payable to the legal counsels	[●]	[●]	[●]
Fee payable to other professional service providers including auditors	[●]	[●]	[●]
Printing and stationery, distribution, postage etc.	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Advertising and marketing expenses and shareholder outreach expenses	[●]	[●]	[●]
Fees payable to regulators (including Stock Exchange/SEBI, depositories and other statutory fee as applicable)	[●]	[●]	[●]
Other expenses (including miscellaneous expenses) #	[●]	[●]	[●]
<b>Total estimated Issue expenses*</b>	[●]	[●]	[●]

\*Includes applicable taxes. Subject to finalization of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

#Includes fees payable to Statutory Auditors and any such expense not specifically covered.

### **Bridge financing facilities**

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

### **Interim use of funds**

Our Company shall deposit the Net Proceeds, pending utilization of the Net Proceeds for the purposes described above, by depositing the same with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934.

### **Monitoring of utilization of funds**

Our Company has appointed [●] as the Monitoring Agency to monitor the utilization of the Net Proceeds and the Monitoring Agency shall submit a report to our Board as required under Regulation 82 of the SEBI ICDR Regulations. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our company will indicate instances, if any, of unutilized Net Proceeds in the balance sheet of our company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchange. Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds including deviations or category wise variations, if any. Further, pursuant to Regulation 32(5) of the SEBI Listing Regulations, on an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the Statutory Auditors of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Issue from the Objects as stated above. This information will also be published on our website and explanation for such variation (if any) will be included in our director's report, after placing it before the Audit Committee.

**Appraising entity**

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

**Strategic or Financial Partners**

There are no strategic or financial partners to the Objects.

**Interest of Promoters, Promoter Group and Directors, in the objects of the Issue.**

Neither the Promoters, Promoter Group, Directors, Group Companies or Key Management Personnel has entered into nor are planning to enter into any arrangement/ agreements, except as mentioned above, with Promoters, Promoter Group, Directors, Key Management Personnel or our Group Companies in relation to the utilization of the Net Proceeds of the Issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects, as set out above.



## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,  
**The Board of Directors,**  
**Sunshield Chemicals Limited**  
1501-A, Universal Majestic,  
P. L. Lokhande Marg,  
Mumbai 400043

**Fortress Capital Management Services Private Limited**  
2nd Floor, Daryanagar House,  
69, Maharshi Karve Road,  
Marine Lines (East),  
Mumbai – 400002

(Fortress Capital Management Services Private Limited referred to as the “**Lead Manager**”)  
Dear Sir/Ma’am,

**Re: Proposed rights issue of equity shares of face value of Rs. 10/- each (“Equity Shares”) of Sunshield Chemicals Limited (“Company” and such rights issue, the “Issue”).**

---

We report that the enclosed statements in **Annexure I and Annexure II**, states the possible special tax benefits under direct tax laws i.e. Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by the Finance Act, 2022 (hereinafter referred to as “**Income Tax Laws**”), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 (hereinafter referred to as “**Indirect Tax Laws**”) as amended, including the relevant rules and regulations, circulars and notifications issued there under, Foreign Trade Policy force in India, available to the Company and its shareholders. Several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill.

We confirm that the information herein is true, fair, correct, complete, accurate, not misleading and does not contain any untrue statement of a material fact nor omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading and adequate to enable investors to make a well informed decision.

We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We also have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, ‘*Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,*’ issued by the ICAI.

The benefits discussed in the enclosed statements cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and do not cover any general tax benefits available to the Company or its shareholders. The tax benefits listed herein are only the possible special tax benefits which may be available under the current direct tax laws presently in force in India. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

The benefits discussed in the enclosed statements in **Annexure I and Annexure II** are not exhaustive. The preparation of the contents stated in the Annexures is the responsibility of the Company’s management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific

tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references, to us, as “Experts” as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Draft Letter of Offer and the Letter of Offer (“**Offer Documents**”) of the Company or in any other documents in connection with the Issue.

We hereby give consent to include this statement of special tax benefits in the Offer Documents and in any other material used in connection with the Issue.

This certificate is issued for the sole purpose of the Issue, and can be used, in full or part, for inclusion in the Offer Documents and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory/statutory authority, recognized stock exchange, any other authority as may be required and/or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law and for the purpose of any defense the Lead Manager may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

This certificate may be relied on by the Company, Lead Manager, their affiliates, and the legal counsel in relation to the Issue.

We undertake to immediately update you, in writing, of any changes in the above-mentioned information until the date the Equity Shares issued pursuant to the Issue commence trading on the recognized stock exchange. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date the Equity Shares commence trading on the recognized stock exchange.

Yours faithfully,

**For and on behalf of**

**M/s C N K & Associates LLP**  
**Chartered Accountants**  
**Firm Registration Number: 101961W/W100036**

**Name: Diwakar Sapre**  
**Partner**  
**ICAI Membership Number: 040740**  
**UDIN: 24040740BKEYMN4492**

**Date: September 30, 2024**  
**Place: Mumbai**

CC:  
**Legal Counsel to the Issue**

**Rajani Associates, Advocates and Solicitors**  
204-207, Krishna Chambers  
59, New Marine Lines  
Mumbai 400 020

## ANNEXURE I

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SUNSHIELD CHEMICALS LIMITED (THE “COMPANY”) AND ITS SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (HEREINAFTER REFERRED TO AS “INCOME TAX LAWS”)

**1. Special tax benefits available to the Company under the Income Tax Laws**

There are no special tax benefits available to the Company.

**2. Special tax benefits available to the shareholders under the Income Tax Laws**

There are no special tax benefits available to the shareholders of the Company.

**Notes:**

- a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2025-26.
- d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- f. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## ANNEXURE II

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SUNSHIELD CHEMICALS LIMITED (THE “COMPANY”) AND ITS SHAREHOLDERS UNDER THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, INTEGRATED GOODS AND SERVICES TAX ACT, 2017, RESPECTIVE STATE GOODS AND SERVICES TAX ACT, 2017 (‘GST ACT), CUSTOMS ACT, 1962 (‘CUSTOM ACT’), CUSTOMS TARIFF ACT, 1975 (‘TARRIF ACT’) (HEREINAFTER REFERRED TO AS “INDIRECT TAX LAWS”)**

**1. Special tax benefits available to the Company under the Indirect Tax Laws**

There are no special indirect tax benefits available to the Company.

**2. Special tax benefits available to the shareholders under the Indirect Tax Laws**

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

**Notes:**

- a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b. The above statement covers only above-mentioned indirect tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.
- c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.
- d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents. The data may have been re-classified by us for the purpose of presentation. Neither the company, the Lead Manager or any of their or our respective affiliates or advisors or any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable sources, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. They are prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “*Risk Factors*” on page 22 of the Draft Letter of Offer. Accordingly, investors should not place undue reliance on information.

#### Global Economy Outlook

The global economy is currently in a challenging position, with growth projected to remain steady at 3.2 percent in 2024 and 3.3 percent in 2025, according to the latest World Economic Outlook (WEO) report (July 2024). Despite this stable outlook, economic activity is showing varied momentum across different regions. Some countries, particularly in Asia, are experiencing stronger-than-expected growth, while others, like Japan and the United States, face unexpected slowdowns. The narrowing output divergence across economies indicates that cyclical factors are diminishing, and economic activity is becoming more aligned with its potential.

Global disinflation is encountering obstacles, particularly due to persistent inflation in the services sector. While goods prices are experiencing stronger disinflation, services inflation remains stubbornly high, complicating monetary policy normalization. This scenario has increased the risks of inflation persisting longer than anticipated, potentially leading to higher interest rates for an extended period. Central banks in advanced economies are cautious about cutting rates too soon, while those in emerging markets face external risks related to currency depreciation.

Financial conditions globally remain accommodative, supported by buoyant corporate valuations despite rising longer-term yields. However, these higher yields could pressure fiscal discipline, especially in countries struggling to control spending or increase taxes. Commodity prices are also impacting the economic outlook, with energy prices expected to decline but still influenced by geopolitical factors like OPEC+ production cuts and Middle East conflicts. As a result, the pace of monetary policy normalization varies across regions, reflecting the diverse inflationary pressures.

The growth outlook for various regions is mixed. In advanced economies, growth is expected to converge, with the United States facing a slight downward revision in its growth forecast due to a slower start to the year. In contrast, the euro area shows signs of recovery, driven by stronger services activity and exports. Japan's growth forecast has been revised downward due to temporary supply disruptions. However, growth prospects in Latin America, the Middle East, and Sub-Saharan Africa are more subdued due to regional challenges.

World trade is projected to recover, aligning with global GDP growth, despite ongoing cross-border trade restrictions. Inflation, while expected to decline, will do so at a slower pace in advanced economies due to persistent services inflation and higher commodity prices. Emerging markets will see a slower reduction in inflation, though it is expected to approach pre-pandemic levels. Overall, the risks to the economic outlook remain balanced, with concerns about inflation persistence, trade tensions, and geopolitical uncertainties.

Policymakers face the dual challenge of restoring price stability while addressing the legacies of recent crises. This will require careful coordination of monetary and fiscal policies, with a focus on achieving sustainable growth and replenishing lost economic buffers. In emerging markets, managing currency volatility and capital flows will be crucial. Additionally, addressing medium-term growth prospects through productivity enhancement, labour market integration, and multilateral cooperation will be vital for future economic resilience. The global economic landscape remains uncertain, and careful policy management will be essential to navigate the challenges

ahead.

### *Emerging markets outlook*

The forecast for growth in emerging market and developing economies is revised upward; the projected increase is powered by stronger activity in Asia, particularly China and India. For China, the growth forecast is revised upward to 5 percent in 2024, primarily on account of a rebound in private consumption and strong exports in the first quarter. In 2025, GDP is projected to slow to 4.5 percent, and to continue to decelerate over the medium term to 3.3 percent by 2029, because of headwinds from aging and slowing productivity growth. The forecast for growth in India has also been revised upward, to 7.0 percent, this year, with the change reflecting carryover from upward revisions to growth in 2023 and improved prospects for private consumption, particularly in rural areas.

<b>WORLD ECONOMIC OUTLOOK GROWTH PROJECTIONS</b>			
<b>Real GDP, annual % change</b>	<b>Projections</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>World Output</b>	<b>3.2</b>	<b>3.2</b>	<b>3.2</b>
<b>Advanced Economies</b>	<b>1.6</b>	<b>1.7</b>	<b>1.8</b>
United States	2.5	2.7	1.9
Euro Area	0.4	0.8	1.5
Germany	-0.3	0.2	1.3
France	0.9	0.7	1.4
Italy	0.9	0.7	0.7
Spain	2.5	1.9	2.1
Japan	1.9	0.9	1
United Kingdom	0.1	0.5	1.5
Canada	1.1	1.2	2.3
Other Advanced Economies	1.8	2	2.4
<b>Emerging Markets and Developing Economies</b>	<b>4.3</b>	<b>4.2</b>	<b>4.2</b>
Emerging and developing Asia	5.6	5.2	4.9
China	5.2	4.6	4.1
India	7.8	6.8	6.5
Emerging and developing Europe	3.2	3.1	2.8
Russia	3.6	3.2	1.8
Latin America and the Caribbean	2.3	2.0	2.5
Brazil	2.9	2.2	2.1
Mexico	3.2	2.4	1.4
Middle East and Central Asia	2.0	2.8	4.2
Saudi Arabia	-0.8	2.6	6.0
Sub Saharan Africa	3.4	3.8	4.0
<b>Memorandum</b>			
Emerging market and middle-income economies	4.4	<b>4.1</b>	<b>4.1</b>
Low income developing countries	<b>4.0</b>	<b>4.7</b>	<b>5.2</b>

Source: International Monetary Fund, World Economic Outlook Update, July 2024.

## **Indian Economy Outlook**

### *India's Economic Landscape and Growth Trajectory*

In FY23, India surpassed the UK to become the world's fifth-largest economy, driven by strong economic growth in the first quarter and a resilient recovery from the COVID-19 pandemic. The country's nominal GDP for 2023-24 is projected at Rs. 295.36 lakh crores (US\$ 3.54 trillion), reflecting a 9.6% growth rate, albeit slower than the 14.2% seen in 2022-23. This growth is fuelled by strong domestic consumption, increased investment, and the

government's focus on capital expenditure, particularly in the latter half of FY24.

India's exports during April-June 2023 reached US\$ 109.11 billion, led by Engineering Goods (25.35%), Petroleum Products (18.33%), and Electronic Goods (7.73%). Rising employment and private consumption, bolstered by improved consumer sentiment, are expected to sustain GDP growth in the coming months.

Future government capital spending is anticipated to be supported by factors like tax buoyancy, streamlined tax systems, rationalized tariff structures, and digitization efforts. In the medium term, increased infrastructure spending is set to amplify growth multipliers, with the services sector playing a crucial role in driving this growth.

India is currently the fastest-growing major economy globally and is poised to be one of the top three economic powers in the next 10-15 years, underpinned by its robust democracy and strong partnerships. The country's attractiveness as an investment destination has been strengthened by global economic volatility, as evidenced by record funds raised by India-focused ventures in 2022.

#### *Market Size and Future Prospects*

Real GDP for 2023-24 is estimated at Rs. 173.82 lakh crores (US\$ 2.08 trillion), showing an 8.2% growth rate, up from 7.0% in the previous year. India hosts 113 unicorn startups valued at over US\$ 350 billion, with the fintech sector expected to generate the largest number of future unicorns. The government is also committed to achieving 40% of its energy from non-fossil sources by 2030, with a broader goal of Net Zero Emissions by 2070, supported by the 'Panchamrit' strategy.

According to the McKinsey Global Institute, India needs to create 90 million non-farm jobs by 2030 to boost productivity and sustain economic growth. The current account deficit (CAD) narrowed to 0.7% of GDP in FY24, thanks to a reduction in the merchandise trade deficit.

Exports played a critical role in economic recovery post-pandemic but may face challenges as global economic conditions tighten. However, Indian exports are still expected to reach US\$ 1 trillion by 2030, as stated by Minister of Commerce and Industry.

#### *Government Initiatives and Road Ahead*

The Indian government has launched several initiatives, including Make in India, Start-up India, Digital India, and the Smart City Mission, to bolster the economy. These programs aim to create significant opportunities for growth and development.

In FY24, capital expenditure by the government increased by 37.4% to Rs. 10 lakh crore (US\$ 120.12 billion), signalling a shift towards higher-quality spending. This increase was supported by improved tax compliance, higher corporate profitability, and enhanced economic activity.

India's export growth has remained robust, with merchandise exports growing by 8.39% and service exports by 29.82% year-over-year until April 2023. Inflationary pressures have also eased, with CPI-C inflation dropping from 7.01% in June 2022 to 5.02% in September 2023, aided by government actions, flexible monetary policies, and easing global commodity prices.

*Source: IBEF, Indian economy overview, July 2024.*

### **Global Specialty Chemical Sector**

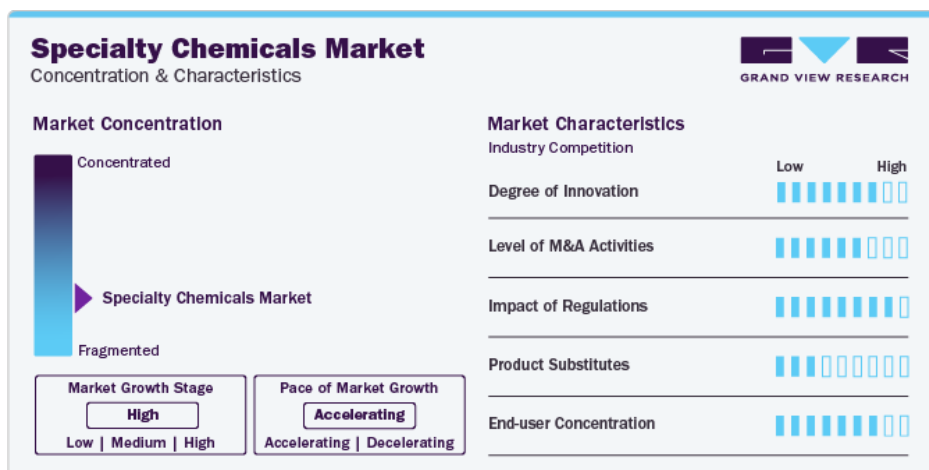
The global specialty chemicals market was valued at USD 641.5 billion in 2023 and is projected to grow at a compound annual growth rate (CAGR) of 5.2% from 2024 to 2030. This growth is driven by increasing demand across various sectors, including construction, water treatment, and electronics, as well as advancements in process technology and trade liberalization. Additionally, there is rising demand from the pharmaceuticals, food and feed additives, and flavours and fragrances sectors.

However, the specialty chemicals market is experiencing significant impacts from rising oil prices. Elevated energy costs have led to higher chemical prices, which have affected profit margins for manufacturers. Supply

chain disruptions, particularly in the European region, have also impacted the import and export of raw materials, influencing the overall market.

### Market Concentration and Characteristics

The specialty chemicals market is currently in a high-growth stage, with an accelerating pace of expansion. It is characterized by substantial investments in research and development, leading to a moderate to high level of innovation. As specialty chemicals are highly function-specific, continuous innovation is crucial for maintaining competitive advantage and meeting evolving market needs.



The industry is heavily influenced by regulatory standards aimed at mitigating the environmental and health impacts of chemical production. This has driven a shift toward developing and promoting products that are more environmentally friendly and user-safe. Consequently, traditional chemical manufacturers are increasingly focused on creating sustainable solutions.

The threat of substitutes in the specialty chemicals market is expected to remain low in the coming years. Customers typically seek products with specific performance and application requirements, making it difficult for conventional chemicals or alternative products to replace specialized formulations.

The market exhibits high end-user concentration, encompassing diverse industries such as automotive, electrical and electronics, and oil and gas. Product prices are closely linked to raw material costs, leading to price volatility that affects final product pricing. As a result, customers possess low to medium bargaining power.

### Market Dynamics

Specialty chemicals are integral to numerous industrial sectors. More than half of the globally produced specialty chemicals are used in four major end-use sectors: food and beverages; soap, cleaning, and cosmetics; construction; and electrical and electronics. The market is anticipated to experience significant growth in emerging markets due to industrialization and rising consumer-driven economies. Notably, categories such as specialty coatings, electronic chemicals, nutraceuticals, flavours and fragrances, and organic personal care are expected to see rapid growth, driven by positive trends in their respective end-use markets.

### Product Insights

Industrial and institutional cleaning chemicals held the largest revenue share of 26.9% in 2023. These chemicals are crucial in general-purpose cleaning, commercial floor maintenance, and ensuring hygiene and food safety. The sector's growth is driven by the demand for eco-friendly, effective, and low-labour cleaning solutions, where surfactants play a key role as wetting agents, detergents, foaming agents, dispersants, and emulsifiers.

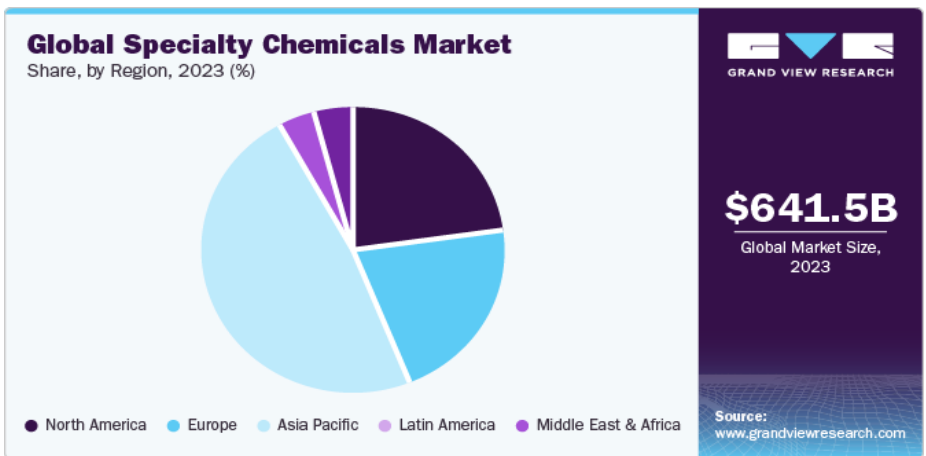
Other notable segments include lubricating oil additives and specialty surfactants. The growth of these segments is attributed to increasing consumer awareness of specialty chemicals' benefits and the expansion of end-use



industries. Specialty surfactants, used alongside commodity surfactants, are essential in various domestic and industrial products

### Regional Insights

The Asia Pacific region led the specialty chemicals market with a 49.9% revenue share in 2023, driven by economic progress, industrialization, and growth in major end-use sectors. China and India are significant contributors to this growth, with China being a global manufacturing leader. The demand for additives in the region is influenced by applications in food and beverages, personal care and cosmetics, and pharmaceuticals. China, India, and Japan are key manufacturing hubs, further fuelling market expansion in the Asia Pacific region.



### India Specialty Chemicals Market

India is the second-largest market for specialty & fine chemicals in Asia Pacific. The market growth in this country can be attributed to the presence of companies manufacturing these chemicals at a large scale in India.



Moreover, the penetration of specialty & fine chemicals in India is high owing to the presence of mature end-use industries in the country. For instance, India is among the major automotive manufacturing countries in Asia Pacific. The use of specialty chemicals such as fibres, sealants, paints, and adhesives in the automotive industry of the country is expected to fuel the growth of specialty chemicals market in India in the coming years.

### Europe Specialty Chemicals Market

Europe stands out as a significant market for specialty chemicals, trailing only Asia Pacific in prominence. The region is home to major industrial economies, including the UK, Germany, France, Italy, Spain, and Russia, which

are increasingly populated by manufacturers and suppliers of electronics, cosmetics, and pharmaceuticals. The robust presence of cosmetic manufacturing units drives substantial demand for specialty chemicals in Europe.

In the Middle East, countries like the UAE, Kuwait, and Saudi Arabia are experiencing rising demand for cosmetic chemicals, which is expected to further penetrate the regional market. The young and dynamic population, coupled with high purchasing power, is anticipated to contribute positively to market growth in the coming years.

Additionally, the food and beverage sector in the Middle East presents numerous opportunities for international investors. Factors such as reliance on food trade, evolving consumer preferences, strategic geographic positioning, and Gulf food programs have significantly boosted the food and beverages industry, thereby increasing the demand for specialty chemicals.

In Latin America, the presence of major manufacturers such as Cargill, General Mills, and Kraft Foods is expected to drive the demand for specialty chemicals. Key sectors such as automotive, transportation, chemical processing, and construction are projected to be significant consumers of specialty polymers, coatings, adhesives, sealants, plastic additives, and lubricants. Notable manufacturers of synthetic lubricants in the region include Exxon Mobil Corporation, Royal Dutch Shell plc, Petrobras, and YPF.

*Source: Grand View Research, January 2024.*

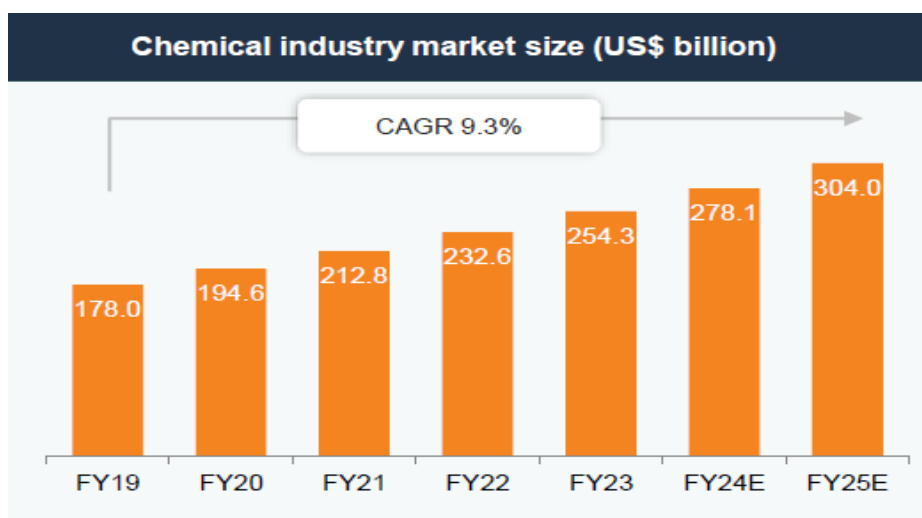
### **Indian Chemical Industry**

The Indian chemicals industry is a major global player, producing over 80,000 commercial products and contributing 2.5% to global chemical sales. As the 6th largest producer of chemicals worldwide and 3rd in Asia, the industry accounts for 7% of India's GDP. It is projected to reach US\$ 304 billion by 2025, growing at a CAGR of 9.3%, driven by increased demand in specialty chemicals and petrochemicals. By 2040, this demand is expected to nearly triple, reaching US\$ 1 trillion, with significant contributions from the dye sector, which saw exports totalling US\$ 2.32 billion from April to March 2024.

India's specialty chemical companies are increasingly focusing on import substitution and exploring export opportunities, positioning the country as the third-largest global consumer of polymers, with projected consumption of 60 million tonnes by 2040. The agrochemicals market is also on a growth trajectory, expected to expand at a CAGR of 8.6% to reach US\$ 7.4 billion between 2021 and 2026. Specialty chemicals, accounting for 20% of the global chemicals industry's US\$ 4 trillion market, are expected to grow at a CAGR of 12% in India, reaching US\$ 64 billion by 2025, driven by strong demand from both export and end-user industries.

India's chemical industry holds a prominent global position, ranking as the third-largest consumer of polymers, fourth-largest producer of agrochemicals, and sixth-largest producer of chemicals. The sector was valued at US\$ 220 billion in 2022 and is expected to grow to US\$ 300 billion by 2025, reaching US\$ 1 trillion by 2040. The industry is also a global leader in generics and biosimilars, with Indian manufacturers supplying over 50% of the world's vaccines.

The industry's diversity is further underscored by its extensive product range and employment of over 2 million people. Supported by a robust network of 200 national laboratories and 1,300 R&D centres, the chemical sector is expected to contribute US\$ 300 billion to India's GDP by 2025. Specialty chemicals are a key growth area, with the sector expected to expand at a CAGR of 12.4%, driven by improved exports and a positive outlook for agrochemicals and surfactants. India also leads globally in dye manufacturing, exporting to over 90 countries, with dye exports totalling US\$ 1.69 billion from April to December 2023.



### Chemical Market Segmentation

The chemical market is divided into 5 key segments;

1. Bulk Chemicals
2. Petro chemicals and polymers
3. Fertilizers
4. Specialty chemicals and
5. Agrochemicals

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

**Petro chemicals and polymers:** These chemicals are derivatives of several chemical compounds such as hydrocarbons which are derived from crude oil or natural gas.

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

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

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

### Advantage India

India's chemical market industry is poised for significant growth, driven by increasing demand from end-user industries such as food processing, personal care, and home care. As the 6th largest producer of chemicals globally and 3rd in Asia, India's chemical sector contributes 7% to the nation's GDP. The market is set to expand rapidly, with McKinsey projecting that demand for chemicals and petrochemicals in India will nearly triple, reaching US\$ 1 trillion by 2040. This growth is already evident, with exports of organic and inorganic chemicals rising by 16.75%, totalling US\$ 2.50 billion in April 2024.

The industry's expansion is further supported by substantial investments and spending. Foreign Direct Investment (FDI) inflows into the chemicals sector (excluding fertilizers) reached US\$ 22.146 billion between April 2000 and March 2024. Significant development projects have also been initiated. Looking ahead, the Indian chemicals and petrochemicals sector is projected to attract an investment of Rs. 8 lakh crore (US\$ 107.38 billion) by 2025. Additionally, the "Power and Renewable Energy Manufacturing Zone" in Narmada Puram, estimated at Rs. 460 crore (US\$ 55.5 million), is expected to stimulate economic growth and job creation.

Government policy support has also played a crucial role in bolstering the chemical industry. The Interim Budget for 2024-25 allocated Rs. 192.21 crore (US\$ 23.13 million) to the Department of Chemicals and Petrochemicals. Furthermore, the Union Cabinet approved the Production Linked Incentive (PLI) scheme for the National Programme on Advanced Chemistry Cell Battery Storage in May 2021, alongside schemes to promote Bulk Drug Parks with a budget of Rs. 1,629 crore (US\$ 213.81 million). The Paradip Petroleum, Chemicals, and Petrochemicals Investment Region (PCPIR) has already attracted investments worth US\$ 8.84 billion (Rs. 73,518 crore), generating approximately 40,000 jobs.

Opportunities in the Indian chemical market continues to grow, with specialty chemicals companies expanding capacities to meet rising domestic and international demand. As global companies seek to de-risk supply chains previously dependent on China, India's chemical sector stands to benefit significantly.

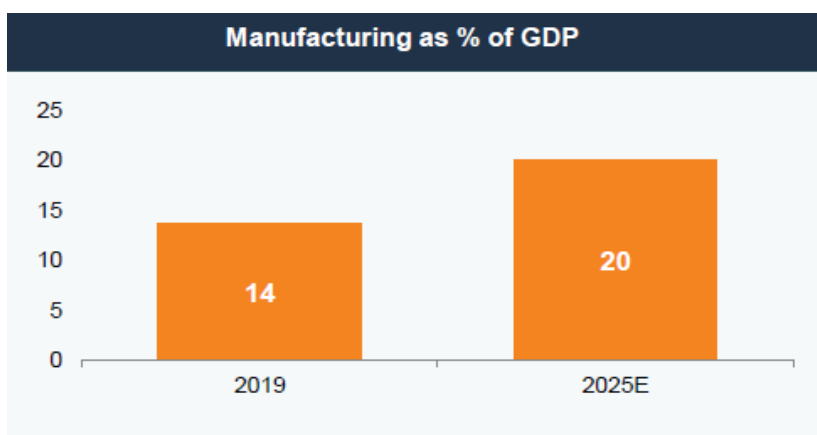
Recent chemical trends in India indicate that the specialty chemicals market in India would grow faster than China, increasing its market share to 6% by 2026 from 3-4% in fiscal 2021. A shift in, the global supply chain brought on by the China+1 strategy and a resurgence in domestic end-user demand was expected to fuel significant revenue growth of 18–20% in 2022 and 14–15% in 2023.

#### *Growth drivers*

The Indian chemical industry is poised for significant growth due to several key drivers. The rising demand, supported by higher real disposable incomes and a growing middle class, is shifting production and consumption towards Asian and Southeast Asian countries. This shift is further fuelled by an increasing consumer preference for environment-friendly products. Government policies, such as 100% FDI under the automatic route and PLI schemes promoting Bulk Drug Parks, are also playing a crucial role in this expansion.

Investment in the sector is accelerating, with the establishment of Petroleum, Chemicals, and Petrochemicals Investment Regions (PCPIRs) attracting substantial investments. The government's push to increase the manufacturing sector's share in GDP to 20% by 2025, along with efforts to boost domestic and foreign investments, is driving the development of new greenfield and brownfield projects. Additionally, the rise in domestic demand is expected to significantly increase chemical consumption per capita, particularly in industries like personal care, agrochemicals, and food.

Post-COVID-19, the demand for disinfectants and related products has surged, further boosting the chemical sector. The presence of skilled and low-cost labour, coupled with strong R&D capabilities, provides a competitive edge to Indian chemical industries. The growing end-use industries, such as packaging, construction, and automotive, along with the presence of global players like BASF and Dow Chemicals, are expected to drive the market further, solidifying India's position as a key player in the global chemical industry.



#### *Specialty Chemicals*

The Indian specialty chemicals sector is poised for significant growth, driven by robust demand across various end-user industries and strategic shifts in manufacturing. Here's a closer look at the factors fuelling this expansion:

### Current Market Landscape

- **Capital Expenditure Surge:** Specialty chemical companies in India are ramping up their capital expenditure (capex) plans, spurred by strong growth visibility and emerging opportunities in the market.
- **Impact of China's Regulatory Changes:** Environmental regulations in China led to the cessation of activities by many chemical companies in 2018. This gap has created opportunities for Indian manufacturers to step in and ensure an uninterrupted supply of specialty chemicals.

### Growth Projections

- The Indian specialty chemicals industry is expected to grow at a compound annual growth rate (CAGR) of 11-12% by 2027, aiming to increase India's share in the global specialty chemicals market from 3% to 4%.
- According to EY, the industry was valued at approximately \$220 billion and is projected to grow nearly 9% annually from 2020 to 2025, potentially reaching \$300 billion by FY 2025. Long-term projections estimate the sector could achieve a valuation of \$1 trillion by FY 2040.

### Key Growth Drivers by End-User Industry

1. **Paints & Coatings**
  - **Urbanization:** Rising urban populations are driving demand for decorative and industrial coatings.
  - **Middle-Income Households:** An increase in the number of middle-income households is leading to higher spending on home improvements.
  - **High Replacement Demand:** There is a growing need for renovations and repaints, further boosting demand.
2. **Textile**
  - **Export Growth:** The Indian textile industry is experiencing a surge in exports, driving demand for specialty chemicals used in fabric treatment and dyeing.
  - **Urbanization:** Increased urbanization contributes to a growing middle class that values fashion and quality textiles.
  - **Higher Disposable Income:** As income levels rise, consumers are more likely to purchase high-quality textiles.
3. **Construction**
  - **Cost Advantage:** Compared to China and the US, expenditure on construction admixtures in India remains relatively low, presenting an opportunity for growth.
  - **Infrastructure Development:** Government initiatives and investments in infrastructure projects are also fuelling demand for specialty chemicals in construction.
4. **Home Care**
  - **Increased Consumption:** Growing consumer awareness and a shift towards quality home care products are driving the demand for specialty chemicals in cleaning agents and personal care items.

The Indian specialty chemicals market is on the verge of a significant transformation, backed by robust growth drivers across multiple sectors. The convergence of increasing urbanization, rising incomes, and strategic shifts in the global supply chain presents a unique opportunity for companies operating in this space. As the industry gears up for substantial expansion, stakeholders should focus on innovation and sustainable practices to capitalize on these emerging trends.

### *Favourable government initiatives*

The Indian government has introduced several initiatives aimed at enhancing the growth and competitiveness of the chemicals and petrochemicals sector. These measures focus on increasing domestic production, reducing imports, attracting investments, and fostering innovation. Here's an overview of the key initiatives:

1. 2034 Vision for the Chemicals and Petrochemicals Sector:
  - The government has laid out a 2034 vision to enhance domestic production, minimize imports, and attract investments in the chemicals sector.
  - A production-linked incentive (PLI) system is being implemented, offering 10-20% output incentives specifically for the agrochemical sector. This aims to create a comprehensive end-to-end manufacturing ecosystem through the development of industrial clusters.
2. Foreign Direct Investment (FDI) Policies:
  - The government allows 100% FDI in the chemical sector through the automatic route, with certain exceptions for hazardous chemicals. This policy encourages international investment and expertise in the sector.
3. Industrial Licensing and Support:
  - Industrial licensing has been streamlined, with approvals in most sectors except for a few hazardous chemicals.
  - The government supports the industry through research and development initiatives, reduced basic customs duties on various products, and the 'Make in India' campaign, which promotes domestic manufacturing.
4. Petroleum, Chemicals, and Petrochemical Investment Regions (PCPIRs):
  - Four PCPIRs have been established as designated investment regions focused on the petroleum, chemicals, and petrochemicals sectors, along with associated services. These regions are designed to create a conducive environment for investment and industrial growth.
5. National Medical Devices Policy, 2023:
  - In April 2023, the Cabinet approved the National Medical Devices Policy, 2023, which aims to bolster the domestic manufacturing of medical devices, a crucial segment within the broader chemicals sector.
6. Production-Linked Incentive (PLI) Scheme:
  - The Government of India is considering launching a PLI scheme for the chemicals sector. This initiative is expected to further boost domestic manufacturing capabilities and increase exports, fostering a competitive market landscape.

The government's proactive approach through various initiatives is expected to significantly bolster the growth of the chemicals and petrochemicals sector in India. By improving the regulatory environment, encouraging foreign investment, and promoting domestic production, these measures create a favourable landscape for companies to thrive and compete on a global scale. As the sector continues to evolve, these initiatives will play a pivotal role in shaping its future trajectory.

*Source: IBEF Chemical Industry Report, May 2024.*

## OUR BUSINESS

*The following information should be read together with, the more detailed financial and other information included in this Draft Letter of Offer, including the information contained in the section titled 'Risk Factors', beginning on page 22 of this Draft Letter of Offer.*

*This section should also be read in conjunction with the detailed information about our company including the notes accompanying the financial statements. For comprehensive insights, refer to the chapters titled 'Financial Statements' and 'Management Discussion and Analysis of Financial Position and Results of Operations', which begin on pages 98 and 145 respectively, of this Draft Letter of Offer.*

*Unless the context otherwise requires, in relation to business operations, in this section of this Draft Letter of Offer, all references to "we", "us", "our" and "our Company" is to Sunshield Chemicals Limited.*

### OVERVIEW

#### *Company Background*

Our Company was incorporated as "Sunshield Chemicals Private Limited" on November 19, 1986, as a private limited company under the companies Act, 1956, and was granted the certificate of incorporation by the RoC, Mumbai. Consequent upon the conversion of the company into public limited company our name was changed to "Sunshield Chemicals Limited" on May 28, 1992. We got listed on the BSE in 1995. The majority stake in our Company was acquired by Indus Petrochem Limited in 2021.

We are engaged in the manufacturing of specialty chemicals, which comprise of low volume high value chemicals with specific applications, that constitute a part of the Indian chemical industry and are targeted towards specific end-use applications. They are produced by a complex, interlinked industry and comprise of products that are sold based on their performance and function, rather than their composition.

#### *Key Milestones*

The key milestones achieved by us are:

<b>Year</b>	<b>Event</b>
1986	Operations started by Satish Kelkar and Chintamani Kelkar as Promoter of the Company
1992	Converted into public Limited Company
1993	Acquired Dimple Chemical and Services (DCS).
1994	Majority of the shares of our Company were acquired by Patwardhan Group from Chintamani Kelkar group.
1994	Acquired Kamal Chemical Industries (KCI) and both DCS and KCI merged with our Company.
1995	Got listed on BSE
1998	Anti Oxidation Plant started
2002	THEIC Plant started
2005	Aeonian Investments Company Ltd, Abhiraj Trading and Investments Pvt Ltd and Mr. Amit Choksey acquires majority of the shares from Patwardhan group.
2006	Company came up with Rights Issue of Equity Shares
2008	Urea Formaldehyde Resin Plant Started
2012	Rhodia Amines, a subsidiary of Solvay Group, Belgium acquired majority stake of our Company.
2015	HQEE Production Started
2021	Indus Petrochem Limited acquired the entire stake from Rhodia Amines
2022	Announced expansion project, including an expansion of the Antioxidant Plant and bottlenecks in the THEIC and HQEE plants.

Year	Event
2022	Completed the expansion and debottlenecking project and announced expansion in the Ethoxylation Plant.

### *Manufacturing plant*

Our industry specific technologies and quality solutions transition seamlessly from the research phase to the development phase at our manufacturing facility, situated in Raigad, Maharashtra. We have a combined manufacturing capacity across all our products of 18,076 MT at our manufacturing plant.

### *Manufacturing Process*

Our key manufacturing processes include;

- Alkoxylation (EO/PO): This involves the reaction of Ethylene Oxide (EO) or Propylene Oxide (PO) with various raw materials, such as fatty alcohols, fatty acids, or amines. This produces ethoxylated or propoxylated products used as surfactants, emulsifiers, and dispersants.
- Alkylation: This process involves the reaction of alkyl halides with aromatic compounds to form alkylated products.
- Sulphation: Sulfation involves adding a sulphate group to organic compounds, producing surfactants used in detergents and personal care products. This process enhances foaming and emulsification properties.
- Phosphation: Phosphation is the reaction of phosphorus compounds with alcohols, creating phosphate esters used as emulsifiers and anti-corrosion agents in coatings, lubricants, and industrial applications.
- Condensation: This involves combining molecules with the removal of a smaller molecule, creating compounds like polymers or resins used in adhesives, coatings, and industrial materials.
- Formulation: Formulation blends different chemicals to create finished products with specific properties, enabling the development of tailored solutions for personal care, agrochemicals, and industrial applications.

### *Raw materials*

The raw materials used in our manufacturing process include Ethylene Oxide, Cyanuric acid, Diphenylamine, Nonene, Lauryl Alcohol, Nonyl Phenol, Methanol, Tri Decyl Alcohol, Refined Soya oil and Di Isobutylene.

### *Research and development*

Since we are in specialty chemicals sector Research and Development (R&D) forms an important aspect of our business for which we have dedicated R&D team based in our manufacturing plant. Our R&D team is mix of youth and experience who have exposure to Organic and Inorganic Chemistry. R&D head has experience of over 11 years in the field of Chemical Industry. The R&D department features three levels of operation: Small-scale (laboratory), Medium-scale (prototype), and Large-scale (actual production). This tiered approach minimizes the risk of product loss.

### *Products*

Our products include;

- Specialty surfactants (Ethylene Oxide based Ethoxylates and Propoxylates),
- Anti-oxidants,
- THEIC (Tris 2-Hydroxyethyl Isocyanurate),
- Urea Formaldehyde Resin and
- HQEE (Hydroquinone bis(2-hydroxyethyl) Ether).



They find applications across diverse sectors mentioned in the table below;

<b>Industry name</b>	<b>Details</b>	<b>Products</b>
Industrial Applications	We manufacture products primarily used in lubricants and plastic industries as additives as well as cross linking agents and as finishings for enhancing the properties of materials	Ethoxylates, Propoxylates, THEIC, HQEE, Antioxidants
Paints and Coatings	We offer surfactants that reduce the interface between liquid resin solutions and solid particles such as pigments and extenders	Ethoxylates, Propoxylates
Home and Personal Care (HPC)	We provide multifunctional surfactants used in skincare products, detergents, etc	Ethoxylates, Propoxylates
Agrochemicals	We provide solutions based on specialty surfactants that help increase the efficacy of pesticides.	Ethoxylates, Propoxylates

#### *Clients*

Our differentiated portfolio has enabled us to establish long lasting relationships with many domestic and international clients who require application performance of the highest levels including Lubrizol India Pvt. Ltd., Elantas Europe SRL, Indian Additives Limited, Elantas Beck India Ltd., CJS Specialty Chemicals Pvt. Ltd, Solvay Specialities India Private Limited, Godrej Industries Ltd, Asian Paints Ltd etc.

#### *Sales data*

We first started as a domestic player and today serve customers across the globe, spread over America, Europe, Asia and Far East. The table below has details of our domestic and export sales data;

<b>Particulars</b>	<b>(in ₹ Lakhs)</b>		
	<b>FY 23-24</b>	<b>FY 22-23</b>	<b>FY 21-22</b>
Domestic	21,700	15,916	17,650
Exports	6,503	8,524	6,695
<b>Total Sales</b>	<b>28,203</b>	<b>24,440</b>	<b>24,345</b>

## **COMPETITIVE STRENGTHS**

#### *Long Track Record of Safety*

With more than 35 years of incident-free operations, we demonstrate a strong commitment to safety and operational excellence in the chemical manufacturing sector.

#### *Financial Strength*

We have access to capital, which enables us to invest in promising business ideas and further enhance our operations and product offerings.

#### *Marketing and Supply Chain Expertise*

Leveraging the expertise of our corporate promoter Indus Petrochem Limited, we benefit from marketing strategies and a robust end-to-end supply chain management experience. This ensures efficient distribution of our products to global markets.

#### *Strategic Location*

Our manufacturing facility is strategically located with easy access to transportation networks, being adjacent to National Highway and approximately 80 kilometres from JNPT Port. This facilitates seamless logistics and timely deliveries.

### *Supplier Relationships*

We maintain close proximity and longstanding relationships with major raw material suppliers. This advantage ensures us a stable and reliable supply chain, supporting our manufacturing processes and product consistency.

### *Industry Expertise and Experience*

We have more than 35 years of experience in the specialty chemicals industry, providing us with a deep knowledge of the market, customer needs, and manufacturing processes. This long-standing presence gives us a competitive edge in terms of product development, quality control, and customer trust.

### *Strong R&D Capabilities*

Our company invests in research and development, collaborating with renowned institutions like IIT Bombay and ICT Mumbai. This allows us to stay ahead of the curve in terms of innovation, develop new products, and cater to evolving market demands.

### *Diverse Product Portfolio*

We offer a wide range of specialty chemicals across multiple product lines, including Surfactants, Antioxidants, and specialty chemicals like Urea Formaldehyde Resin. This diverse portfolio allows us to target a broader customer base and leverage synergies across different sectors.

### *Trusted Supplier to MNCs*

We have established strong relationships with several domestic and multinational corporations, including Lubrizol, Asian Paints, Kansai Nerolac, Altana Group, Solvay USA Inc., Essex Furukawa and Owens Corning. This reinforces our credibility and reliability as a supplier in the eyes of global customers.

### *Commitment to Sustainability*

We actively promote sustainable practices, including the use of bio briquettes as fuel and a zero-liquid discharge facility. This aligns with growing global concerns about environmental responsibility and sustainability in the chemical industry, making us an attractive partner for environmentally conscious customers.

### *Experienced and dedicated management team*

We attribute our growth to the experience of our promoters and senior management team. Our Board is a skills-based one comprising of directors who collectively possess the skills, knowledge, and experience necessary to effectively govern and direct the company. For further information on our promoters and senior management, please see “**Our Management**” and “**Our Promoters and Promoter Group**” beginning on pages 87 and 96 respectively of this DLOF.

## **BUSINESS STRATEGIES**

### *Customer Acquisition:*

We will continue to target specific industries such as Home and Personal Care, Agro-chemicals, Paints & Coatings and Industrial Applications, thus focusing on tailored solutions that meet unique customer needs. Additionally, we would continue to leverage digital marketing, trade fairs, and industry conferences to enhance visibility and generate leads.

### *Brand Building:*

We have established a brand identity centered around innovation, quality, and sustainability, positioning our Company as a trusted partner in the specialty chemicals sector. This also includes engaging in thought leadership through technical webinars, white papers, and active participation in industry associations.

#### *Pricing Strategy:*

Our pricing strategy is to implement a competitive pricing model based on value differentiation, emphasizing the superior performance and sustainability of our products. This would offer flexible pricing structures, including bulk discounts and long-term contracts, to attract and retain key clients.

#### *Customer Retention:*

We will continue to provide exceptional customer service and technical support to foster long-term relationships and repeat our business. This would also involve developing loyalty programs that incentivize bulk purchases and long-term partnerships.

#### *Innovation and Adaptability:*

We intend to increase our investment into R&D to develop new products that align with emerging market trends, such as eco-friendly chemicals and advanced formulations. This would help us stay responsive to regulatory changes and customer feedback to continuously refine offerings and maintain compliance.

#### *Capitalize on Industry Growth:*

The Indian specialty chemicals industry is poised for growth. We would continue to invest in our manufacturing capabilities, expand our product portfolio and explore new market segments to capitalize on this growth trajectory.

#### *Focus on Innovation and Value-Added Products*

The specialty chemicals industry is increasingly driven by innovation. We intend to prioritize developing new, value-added products that offer unique benefits to our customers, particularly in areas like green chemistry and sustainable solutions.

#### *Strengthen Global Reach*

While we have a significant domestic presence, we would continue to expand our international reach and leverage our existing partnerships with large MNCs to tap into newer export markets.

#### *Embrace Digital Marketing*

We intend to leverage the use of online platforms and social media to reach new customers, build brand awareness, and enhance customer engagement. This can help us reach a wider audience and create a more robust marketing presence.

## **OUR PRODUCTS**

Our portfolio includes five major product groups. Their details are;

*Specialty surfactants viz. Ethoxylates and Propoxylates:* We manufacture various types of Ethoxylates & Propoxylates. The process used is alkoxylation, wherein ethylene oxide or propylene oxide in desired molar ratios reacts with an hydrophobes like alkylphenols, fatty amines, fatty alcohol, fatty acids, vegetable oils, etc. to make surfactants. We have a wide range of Ethoxylates & Propoxylates products based on various hydrophobes according to our customer's applications / specifications.

*THEIC:* We manufacture THEIC (Tris 2-Hydroxyethyl Isocyanurate). This is a crosslinking agent for insulating varnish used in the wire enamel industry. Despite the complexity of the technology required, we have helped multiple customers globally and locally, from small end users to large customers, with their applications.

*HQEE:* HQEE (HYDROQUINONE BIS(2-HYDROXYETHYL) ETHER) is again a complex product to manufacture. This is a specialty elastomer and crosslinking agent for polyurethanes. We have the technical set-up & operations required, post the chemical reaction which are key to meet application performance.

*Antioxidants:* We manufacture a wide range of aminic antioxidants in solid and liquid form, which have seen a rise in demand in recent years due to the increased consumption of plastic additives and lubricants across various industries. These are chemicals that protect materials from degradation caused by oxidation.

*Urea Formaldehyde Resin:* We manufacture Urea Formaldehyde Resin, which is a water insoluble thermosetting resin. The process involves reaction of urea and formaldehyde to form UF-resins in a two-step process, usually an alkaline methylation followed by an acidic condensation.

The key uses of each product and their available forms are given in the table below.

Product Name	Key Uses	Product Form
Specialty Surfactants: Ethoxylates and Propoxylates	Detergents, Hand surface cleaner, Paints and coatings, Textiles, Personal Care, HPC Coatings, Industrial Formulation, Agro Industries	<b>Ethoxylates:</b> 1) Alkyl Phenol Ethoxylates 2) Fatty Amine Ethoxylates 3) Fatty Alcohol Ethoxylates 4) Fatty Acid Ethoxylates 5) Vegetable Oil Ethoxylates  <b>Ethoxylates – Propoxylates:</b> 1) Fatty Alcohol Ethoxylates – Propoxylates 2) Block / Random Co-Polymers
THEIC (Tris 2-Hydroxyethyl Isocyanurate)	Cross-linking agent for insulating Varnish for wire enamels, Heat stabilizer for PVC, Reforming agent for saturated and unsaturated polyester, Urethanes Industrial Formulation	1) Noodles – Special / Standard 2) Powder – Standard / PS 350-500 / PS 850
HQEE (HYDROQUINONE BIS(2-HYDROXYETHYL) ETHER)	Hydraulic Cylinder, Conveyor Belt, Seat Foam, Shoe Sole, Color Stabilizer.	Solid Flakes
Antioxidants	Compressor, Lubricants, Hydraulic lubricants, Lubricants for Engines, Heat stabilizer for rubber and plastics	<b>Solid:</b> 1) Di-Octylated Diphenylamine – Powder / Flakes 2) Di-Cumylated Diphenylamine – Powder  <b>Liquid:</b> 1) Nonylated Diphenylamine 2) Styrenated Diphenylamine 3) Butylated Octylated Diphenylamine
Urea Formaldehyde Resin	Mating Agent for Automotive Paints	Solid - Powder

## MANUFACTURING

Our products are manufactured in the form of Noodles, Powder, Flakes and Liquid. They are offered in packaging options of 25 kg, 50 kg, 500 kg, and 1 ton. Additionally, our liquid products are available in drums of 200 litres, 220 litres, and 800 litres, as well as in bulk tanker loads. The major machines used for production include

Reactor – Used for blending and dosage of Raw materials.

Distillator – Used for distillation.

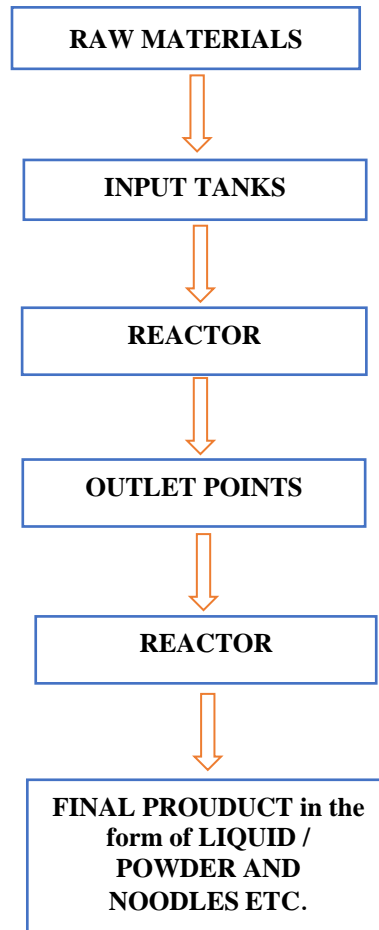
Centrifuge – Used for separation

Filters – For filtration

Dryer – For removal of moisture.

Tanks – For storage purposes.

*Manufacturing Process*



## Manufacturing Facilities

We have a single manufacturing facility at Raigad, Maharashtra. Our factory is located at Village Rasal, Post Pali, Taluka Sudhagad, District Raigad, Maharashtra, India, Pali, Maharashtra 410205.

### CAPACITY AND CAPACITY UTILIZATION

The following table sets forth certain information relating to our installed capacity and capacity utilisation for each of our Manufacturing Facilities for the periods indicated

Product	Installed Production Capacity and Capacity Utilization as at and for the year ended;								
	March 31, 2024			March 31, 2023			March 31, 2022		
	Installe d Capacit y MT	Actual Product ion MT	% Utili zatio n	Installe d Capaci ty MT	Actual Producti on MT	% Utilizati on	Installe d Capaci ty MT	Actual Producti on MT	% Utilizati on
Ethoxylates & Propoxylates	7740	7900	100	7740	5080	66	7740	5820	75
Anti-Oxidants	2200	2160	98	2200	1896	86	2200	1511	69
THEIC	5640	4655	83	4305	3217	75	4000	4128	100
Urea	336	118	35	336	239	71	336	235	70
Formaldehyde Resin									
HQEE	480	-	-	345	143	41	300	119	40
Miscellaneous	1680	145	9	1680	248	15	1680	295	18
<b>Total</b>	<b>18076</b>	<b>14978</b>	<b>83</b>	<b>16606</b>	<b>10823</b>	<b>65</b>	<b>16256</b>	<b>12108</b>	<b>75</b>

As certified by Ashok Sonje, Independent Chartered Engineer by way of their certificate dated September 26, 2024.

### QUALITY CONTROL AND QUALITY MEASURES

We are an ISO 9001: 2015 certified company and strive to have a strong focus towards quality of our products and commitment to excellence across all spheres, be it raw materials, finished good or after sales services. Our Manufacturing facility is equipped with state of art automation and safety systems. The plant has implemented process safety measures with Process Hazard analysis followed by SIS implementation.

Our Quality Control Lab is equipped with modern and sophisticated instruments backed by the technical prowess of our research team. The Quality Control system is further strengthened by a document control system with an internal quality plan. All manufactured products have to undergo stringent control tests as per the application requirements of our customers. Our products conform to national as well as international regulations including European REACH.

### POWER

We have been sanctioned load of 2460 KW from MSEDCL. In addition, we have a diesel backup generator having capacity of 1250 KVA.

### WATER

The water requirement for our manufacturing operations is approximately 165 KL per month. We source water for our operations from water pipelines which are provided by Irrigation Department.

### POLLUTION

We have received the renewed consent letter from Maharashtra Pollution Control Board (MPCB) for the discharge of trade and domestic effluents up to 26.5 CMD, granted for a period ending 28-02-2026.

## INVENTORY MANAGEMENT

Our finished products are stored on-site at our manufacturing facilities. The raw materials are also stored at our warehouses onsite. We typically keep 1 month of inventory including raw materials, work in progress and finished good at our facilities to mitigate the risk of raw material price movements.

## MARKETING AND DISTRIBUTION ARRANGEMENT


Our success is rooted in the strong relationships we've built with our customers over the years, supported by the extensive experience of our promoter group in chemical sales and marketing. We engage in several technical and marketing collaborations to enhance our product offerings and market reach. These collaborations include joint ventures and partnerships with technology providers and customers. We employ a strategic mix of direct sales, distribution networks, and digital marketing to reach our customers. Additionally, we also leverage digital platforms and trade shows to showcase our product portfolio and engage directly with industry stakeholders. By fostering long-term client relationships, we enhance our ability to monitor potential products and markets closely, laying the groundwork for future expansion.

## HEALTH, SAFETY AND ENVIRONMENT

We are committed to environmentally conscious processes, and as a result, we have no ongoing closure notices or adverse directives from the Maharashtra Pollution Control Board regarding any of our manufacturing facilities. We aim to comply with applicable health and safety regulations and other requirements in our operations and always strive to adopt an occupational health and safety policy that is aimed at, inter alia, complying with applicable environmental laws and regulations and voluntary commitments, providing a health and safe work environment, effectively communicating with facility employees, suppliers, regulators, customers and eliminating or reducing the release of contaminants in the environment. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees.

Our operations have received certifications from Directorate of Steam Boilers, MPCB, Maharashtra Bio-Hygienic Management, FDA etc. Also see, ***“Risk Factors – We are subject to increasingly stringent environmental, health and safety laws, regulations and standards. Non-compliance with and adverse changes in health, safety, labour, and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition”*** on page 28 of this Draft Letter of Offer.

## INTELLECTUAL PROPERTY

The trademark of our Company is  registered with the Registrar of Trademarks, Government of India under classes 1,2 and 17. Our class 1 and 4 trademarks were advertised but opposed by PI Industries and Sheild Lubricants respectively. We also have 10 other trademarks which are currently operational in India, for which we have obtained valid registration certificates under the Trademarks Act. For further information on the intellectual property of our Company, see ***“Government and Other Approvals”*** on page 163 of this DLOF. In addition, we are also aware that the use of our brands or similar trade names, technical know-how by third parties may result in confusion among consumers and loss of business. For further information, see ***“Risk Factors”*** on page 22 of this DLOF.

## INSURANCE

Our Company has various insurance policies, the details of which are mentioned in the table below:

Insurance Company	Nature of Policy	Validity Period
Tata AIG General Insurance Company Ltd.	Directors and Officers and Company Reimbursement Policy	20.09.2023 to 19.10.2024
The New India Assurance Company Ltd.	Storage Policy for Nonene	16.07.2024 to 15.10.2024

<b>Insurance Company</b>	<b>Nature of Policy</b>	<b>Validity Period</b>
The New India Assurance Company Ltd.	Industrial All Risk Policy	30.11.2023 to 29.11.2024
Tata AIG General Insurance Company Ltd.	Marine Cargo Annual Turnover policy	30.11.2023 to 29.11.2024
Tata AIG General Insurance Company Ltd.	Commercial General Liability	30.11.2023 to 29.11.2024
The New India Assurance Company Ltd.	Bharat Sookshma Udyam Suraksha Policy Burglary (Single Location-) Policy	30.11.2023 to 29.11.2024
Tata AIG General Insurance Company Ltd.	Pollution Legal Liability Policy	23.12.2023 to 22.12.2024
Zuno General Insurance Company Limited	Personal Accident Policy	01.03.2024 to 28.02.2025
Zuno General Insurance Company Limited	Group Mediciclaim Policy	01.03.2024 to 28.02.2025
GO Digit Life	Group Term Life	01.03.2024 to 28.02.2025
Tata AIG General Insurance Company Ltd.	Commercial Vehicle Package Policy	29.05.2024 to 28.05.2025
Tata AIG General Insurance Company Ltd.	Business Public Liability Insurance	05.07.2024 to 04.07.2025

## COMPETITION

The Indian specialty chemicals industry is experiencing significant growth, driven by rising domestic demand and increasing exports. The sector is estimated to grow at a CAGR of approximately 11-12% by 2027. Key drivers include rising domestic consumption, growth in exports and government initiatives encouraging domestic manufacturing under the "Make in India" program among others. For further information, see "**Industry Overview**" on page 65 of this DLOF.

We operate in this competitive landscape and compete with several domestic and international players. Major competitors include companies such as Viswaat Industries, Venus Ethoxylates, Matangi Industries, Galaxy Surfactants, Yasho Industries and others. We differentiate through our niche product offerings, strong focus on research and development and commitment to provide tailored solutions to meet specific customer needs.

The specialty chemicals industry presents significant entry barriers, including customer validation and approvals, expectation from customers for process innovation and cost reduction, high quality standards and stringent specifications. From the product testing stage, to the batch procurement phase, to the eventual customer approval stage – acquiring a new end customer could take a few years depending on product complexity. We face competition on the basis of pricing, relationships with customers, product quality, and process innovation. The chemical industry constitutes numerous chemical exporters, manufacturers and supplier dealing in fine chemicals and in organic chemicals. Competition emerges not only from organized sector but also from the unorganized sector and from both small and big Regional, National and International players. In adverse and competitive market scenario also, we are able to maintain our growth steadily due to our planned structure of purchase policy of raw material and strategic market policy. Our experience in this business has enabled us to provide quality products in response to customer's demand for best quality.

## HUMAN RESOURCES

Our employees contribute significantly to our business operations. As of September 30, 2024, we had 213 permanent employees, all of whom were employed on a full-time basis in our operations. We place significant emphasis on the recruitment and retention of our personnel and provide training for employees to achieve high quality skills. None of our employees are unionized. We have had no labour-related work stoppages and believe that our labour relations are good. In addition to salary and allowances, we provide our employees benefits which include medical reimbursements and yearly leave. Given our manufacturing plant is operational 24 hours a day; we have four shifts for our workers and the operational hours at our corporate office is of 8 hours. Our success



depends upon our ability to recruit, train and retain high quality professionals. We believe the relationship between our management and our employees has been cordial.

The following table sets forth a breakdown of our employees by function:

Department / Team	Number of Employees
Management and administration	3
Human Resource (HR) & Admin	7
Computer Information System (CIS)	3
Finance & Accounts	9
Logistics & EXIM	2
Procurement	2
Sales	5
Stores/ Warehouse	10
Quality Control	12
Research and Development	7
Environment, Health and Safety	9
Maintenance	27
Production	109
Process Engineering	3
Production Planning	1
Business Development	1
<b>Total</b>	<b>213</b>

## CSR

We recognize our role and responsibility to deliver superior and sustainable value to our customers, business partners, employees and communities and accordingly have adopted a Corporate Social Responsibility (“CSR”) policy in compliance with the requirements of the Companies Act, 2013, and the Companies (Corporate Social Responsibility) Rules, 2014, as notified by the Central Government. In Fiscals 2024, 2023 and 2022, we spent ₹38.8 lakhs, ₹38.38 lakhs and ₹14.87 lakhs respectively, on CSR activities. Our company is actively engaged in a diverse range of Corporate Social Responsibility (CSR) activities. These efforts include promoting education through the organization of education fairs and road safety campaigns. We are also engaged in promotion of a variety of sports including rural, nationally recognized, paralympic, and Olympic sports. In terms of environmental sustainability, our company undertakes initiatives such as planting native plants with a comprehensive safety and maintenance system, as well as constructing wall fencing. Our commitment extends to rural development and environmental efforts, exemplified by the development and beautification of a pond in the village of Rasal. Additionally, we are also involved in welfare activities for children with intellectual disabilities and we provide infrastructure support to schools in rural areas.

## PROPERTY

Sr. No.	Property / Land along with survey number	Village	Area	Ownership	Utilization
1	Land - 32/5	Vave	9348.10 sq.m.	Owned	Land at Vave is adjacent plots. There is existing set-up
	Land - 33/1		404.68 sq.m.		
	Land - 33/2		1517.55 sq.m.		
	Land - 33/3		404.68 sq.m.		
	Land - 147/2	Rasal	9044.59 sq.m.	Owned	Land at Rasal is adjacent plot. There is existing set-up. Manufacturing set up is on plot no. 147/2 and 149/4B
	Land - 149/4B		18,096 sq.m.		
	Land - 148/1/A		7223.54 sq.m.		
	<b>Grand total:</b>		46,039.14 sq.m.		

<b>Sr. No.</b>	<b>Property / Land along with survey number</b>	<b>Village</b>	<b>Area</b>	<b>Ownership</b>	<b>Utilization</b>
2	One Flat located in Pali village	Pali	487 sq. ft.	Owned	Unoccupied
3	Warehouse at Bhiwandi and CCI Panvel (Rent is paid as per Pallet stored)		Space occupied in terms of pallet positions	Lease	Materials are stored in warehouse
4	Non-residential use property at - 1501-A, Universal Majestic, P.L. Lokhande Marg, Opp. RBK International School, Chembur West, Mumbai 400043	Mumbai	700 sq. ft.	Leave and License agreement for 36 months ending 30 <sup>th</sup> November, 2024.	Registered Office

## OUR MANAGEMENT

As per the Articles of Association of our Company, and subject to the provisions of the Companies Act, our Company is required to have not less than three (3) and not more than fifteen (15) Directors, provided that our Company may appoint more than fifteen (15) Directors through passing of a special resolution. As on the date of this Draft Letter of Offer, our Board comprises of 7 (seven) Directors, of which one (1) Director is the Managing Director and Chief Executive Officer, two (2) are Non-Executive Directors out of which one (1) is a woman Director and the Chairperson and four (4) are Non-Executive Independent Directors, out of which one (1) is a woman Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

### Our Board of Directors

The following table sets forth the details regarding our Board as on the date of this Letter of Offer:

Sr. No.	Name, DIN, Date of Birth, Designation, Address, Occupation, Term of current Directorship, Period of Directorship and Nationality	Age	Other Directorships
1.	<p><b>Jeet Sudhir Malhotra</b></p> <p><b>DIN:</b> 07208234</p> <p><b>Date of Birth:</b> January 09, 1997</p> <p><b>Designation:</b> Managing Director and Chief Executive Officer</p> <p><b>Address:</b> 102, Menka Ghatla Road, Diamond Garden, Chembur, Mumbai, Maharashtra – 400071</p> <p><b>Occupation:</b> Service</p> <p><b>Term of current Directorship:</b> for a period of 3 years commencing from January 01, 2022</p> <p><b>Period of Directorship:</b> Since November 30, 2021</p> <p><b>Nationality:</b> Indian</p>	27	<p><i>Indian Companies</i></p> <p>1. Indus Petrochem Limited</p> <p><i>Foreign Companies</i></p> <p>1. Oriole Energy &amp; chemicals Pte. Ltd.</p>
2.	<p><b>Dr. Anand Laxminarain Parihar</b></p> <p><b>DIN:</b> 00513109</p> <p><b>Date of Birth:</b> June 18, 1963</p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Address:</b> Angelica Plaza, Near Uttam Society, St. Anthony's Road, Chembur, Mumbai – 400071</p> <p><b>Occupation:</b> Professional</p> <p><b>Term of current Directorship:</b> liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since November 30, 2021</p> <p><b>Nationality:</b> Indian</p>	61	<p><i>Indian Companies</i></p> <p>1. Indus Petrochem Limited</p> <p><i>Foreign Companies</i></p> <p>2. Oriole Energy &amp; chemicals Pte. Ltd.</p>

Sr. No.	Name, DIN, Date of Birth, Designation, Address, Occupation, Term of current Directorship, Period of Directorship and Nationality	Age	Other Directorships
3.	<p><b>Dr. Maya Parihar Malhotra</b></p> <p><b>DIN:</b> 00302976</p> <p><b>Date of Birth:</b> June 08, 1966</p> <p><b>Designation:</b> Non-Executive Director and Chairperson</p> <p><b>Address:</b> 102 Menka Apartments CHSL, Ghatla Road No. 5, Diamond Garden Chembur, Mumbai – 400071</p> <p><b>Occupation:</b> Professional</p> <p><b>Term of current Directorship:</b> liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since November 30, 2021</p> <p><b>Nationality:</b> Indian</p>	58	Indus Petrochem Limited
4.	<p><b>Ranjal Laxmana Shenoy</b></p> <p><b>DIN:</b> 00074761</p> <p><b>Date of Birth:</b> January 16, 1948</p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Address:</b> A/2 Kamdar Park, Off Gokhale Road, Near Agar Bazar, Dadar, Mumbai 400 028</p> <p><b>Occupation:</b> Corporate Director</p> <p><b>Term of current Directorship:</b> for a period of 5 years commencing from April 01, 2020</p> <p><b>Period of Directorship:</b> Since March 20, 2015</p> <p><b>Nationality:</b> Indian</p>	76	Nil
5.	<p><b>Ajit Chinubhai Shah</b></p> <p><b>DIN:</b> 02396765</p> <p><b>Date of Birth:</b> October 11, 1946</p> <p><b>Designation:</b> Non – Executive Independent Director</p> <p><b>Address:</b> Mansen Barrister Building, 1<sup>st</sup> floor, 17/A Banganga Cross Lane, Walkeshwar, Malabar Hill, Mumbai – 400006</p> <p><b>Occupation:</b> Professional</p> <p><b>Term of current Directorship:</b> for a period of 5 years</p>	77	<p>1. Haldyn Glass Limited</p> <p>2. Ambrosian Well-Being &amp; Engagement Resources Private Limited</p>

Sr. No.	Name, DIN, Date of Birth, Designation, Address, Occupation, Term of current Directorship, Period of Directorship and Nationality	Age	Other Directorships
	commencing from October 20, 2020  <b>Period of Directorship:</b> Since October 20, 2015  <b>Nationality:</b> Indian		
6.	<b>Cyrus Poonevala</b>  <b>DIN:</b> 09420865  <b>Date of Birth:</b> December 09, 1961  <b>Designation:</b> Non-Executive Independent Director  <b>Address:</b> B – 708 Rainbow, Raheja Vihar, Chandivali Road, Powai, Saki Naka, Mumbai – 400072  <b>Occupation:</b> Professional  <b>Term of current Directorship:</b> for a period of 5 years commencing from January 15, 2022  <b>Period of Directorship:</b> January 15, 2022  <b>Nationality:</b> Indian	62	Indus Petrochem
7.	<b>Aruna Vilas Soman</b>  <b>DIN:</b> 03622209  <b>Date of Birth:</b> June 07, 1953  <b>Designation:</b> Non-Executive Independent Director  <b>Address:</b> 501, Vidya Apartments, 168 Veer Savarkar Marg, Near Bombay Scottish School, Mahim West, Mumbai – 400016  <b>Occupation:</b> Corporate Director  <b>Term of current Directorship:</b> for a period of 5 years commencing from June 01, 2022  <b>Period of Directorship:</b> Since June 01, 2017  <b>Nationality:</b> Indian	71	Nil

#### **Brief Profile of our Directors**

**Jeet Sudhir Malhotra** is the Managing Director and Chief Executive Officer of our Company. He holds a Bachelor of Technology degree in Mechanical Engineering from Amity University, Maharashtra of the year 2015. He has been associated with our Company as a Director since 2021.

**Dr. Anand Laxminarain Parihar** is a Non-Executive Director of our Company. He has been associated with our Company since 2021. He completed his MBBS and Doctor of Medicine (MD) degree specializing in Radiology and Imaging. He has a wide range of management and teaching experience with hospitals and diagnostic centres

for the last 20 years. He also serves as the Non-Executive Director on the Board of Indus Petrochem Limited and its wholly owned subsidiary Oriole Energy and Chemicals Pte. Ltd.

**Dr. Maya Parihar Malhotra** is a Non-Executive Director and Chairperson of our Company. She has been associated with our Company since 2021. She holds an MBBS and Doctor of Medicine degree and is duly registered under the Maharashtra Medical Council. She also serves as a Non-Executive Director on the board of Indus Petrochem.

**Ranjal Laxmana Shenoy** is a Non-Executive Independent Director of our Company. He is a Member of the Institute of Chartered Accountants of India, Member of the Institute of Company Secretaries of India and a Member of the Institute of Cost Accountants of India.

**Ajit Chinubhai Shah** is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce and is also an Associate Member of the Institute of Chartered Accountants of India. He has been practising as a Chartered Accountant since 1971 and is currently a Senior Partner at N.A. Shah Associates & Co., a Chartered Accountant firm at Mumbai. He specializes in the field of Audits and Assurances, domestic and international transfer pricing.

**Cyrus Poonevala** is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in science with a major in Physics from Wilson College, Mumbai and also holds a Diploma in Aircraft Maintenance Engineering from the Aeronautical Training Centre, India (training division of Air Works India). He is an experienced Aircraft Engineer and has over 30 years of experience in the aviation industry with specific focus on maintenance with airlines and maintenance companies such as Cathay Pacific, Delta Air Lines, Pan American World Airways and Direct Maintenance.

**Aruna Vilas Soman** is a Non-Executive Independent Director of our Company. She is a Member of the Institute of Cost and Works Accountants of India. She has over 29 years of experience with Merck Limited, a German pharmaceutical multinational company in the areas of costing, MIS, taxation and legal matters.

#### **Confirmations**

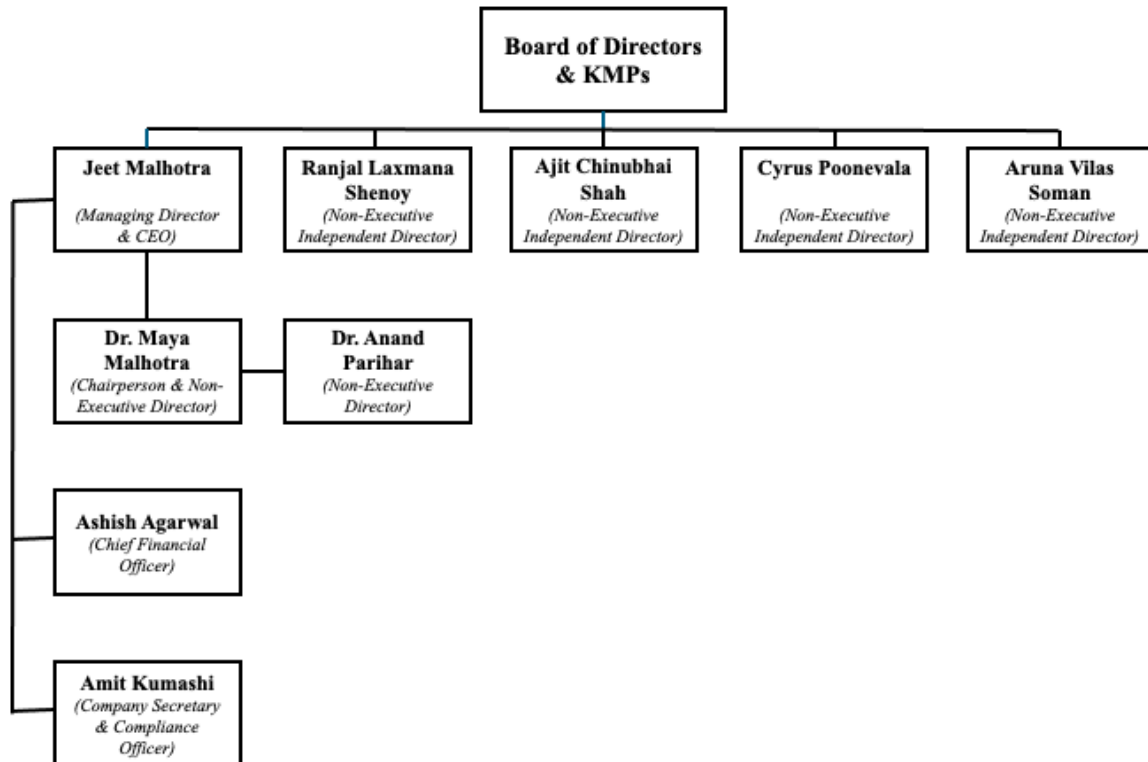
None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Letter of Offer, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange(s), during the term of their directorship in such company

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## Management Organization Structure

Set forth below is the organization structure of our Company:



## Corporate Governance

As on the date of this Draft Letter of Offer, our Board comprises of 7 (seven) Directors, of which one (1) Director is the Managing Director and Chief Executive Officer, two (2) are Non-Executive Directors out of which one (1) is a woman Director and Chairperson of the Board of Directors, four (4) are Non-Executive Independent Directors, out of which one (1) is a woman Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

Our Company is in compliance with the requirements of Corporate Governance in accordance with the SEBI Listing Regulations and the Companies Act, 2013, including those pertaining to the constitution of the Board and committees thereof, as applicable.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act, 2013 to the extent applicable.

### Committees of our Board

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

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholders' Relationship Committee;

Details of each of these committees are as follows:

a) **Audit Committee**

Our Audit Committee was last reconstituted by our Board of Directors via circular resolution passed on June 10, 2022 with the following members forming part of the said Committee:

Sr. No.	Name of Director	Designation	Type of the member
1.	Ajit Chinubhai Shah	Non-Executive Independent Director	Chairperson
2.	Ranjal Laxmana Shenoy	Non-Executive Independent Director	Member
3.	Aruna Vilas Soman	Non-Executive Independent Director	Member
4.	Cyrus Poonevala	Non-Executive Independent Director	Member
5.	Jeet Sudhir Malhotra	Managing Director and CEO	Member

Further, the Company Secretary acts as the secretary of the Audit Committee.

The scope and function of the Audit Committee was adopted pursuant to the Companies Act, 2013 and the SEBI Listing Regulations. The Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. Its terms of reference are as follows:

**Terms of Reference**

The Audit committee ensures that the internal controls within the Company and financial reporting processes are robust. It regularly reviews the Financial Statements on a quarterly and yearly basis and periodically meets to review and discuss, inter-alia, related matters and terms of reference as follows:

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- reviewing, with the management, the annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a. matters required to be included in the Director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the Financial Statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to Financial Statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly Financial Statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
- reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of



- the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with Internal Auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the audit committee.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder.

In addition to above, the Audit Committee also mandatorily reviews the following information:

- management discussion and analysis of financial condition and results of operations;
- management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief Internal Auditor shall be subject to review by the Audit committee.
- statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**b) Nomination and Remuneration Committee:**

Our Nomination and Remuneration Committee was last reconstituted by our Board of Directors in their meeting held on February 03, 2023 with the following members forming part of the said Committee:

Sr. No.	Name of Director	Designation	Type of the member
1.	Ajit Chinubhai Shah	Non-Executive Independent Director	Chairperson
2.	Ranjal Laxmana Shenoy	Non-Executive Independent Director	Member
3.	Aruna Vilas Soman	Non-Executive Independent Director	Member
4.	Maya Paihar Malhotra	Non-Executive Director	Member

Further, the Company Secretary acts as the secretary of the Audit Committee.

The scope and function of the Nomination and Remuneration Committee was adopted pursuant to the Companies Act, 2013 and the SEBI Listing Regulations. The Nomination and Remuneration committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. Its terms of reference are as follows:

**Terms of Reference**

The terms of reference of the Committee, inter alia, include the following:

- formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of

- the Directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- recommend to the board, all remuneration, in whatever form, payable to Senior Management

c) **Stakeholders' Relationship Committee**

Our Stakeholders' Relationship Committee was last reconstituted by our Board of Directors in their meeting held on November 30, 2021 with the following members forming part of the said Committee:

Sr. No.	Name of Director	Designation	Type of the member
1.	Ajit Chinubhai Shah	Non-Executive Independent Director	Chairperson
2.	Aruna Vilas Soman	Non-Executive Independent Director	Member
3.	Jeet Sudhir Malhotra	Managing Director and CEO	Member

The scope and function of the Stakeholders' Relationship Committee was adopted pursuant to the Companies Act, 2013 and the SEBI Listing Regulations. The Stakeholders' Relationship committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. Its terms of reference are as follows:

**Terms of Reference:**

The broad terms of reference of Stakeholders Relationship committee as set out in the Listing Regulations, read with Section 178 of the Companies Act, 2013 include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by Shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the company.

**Key Managerial Personnel and Senior Management Personnel**

Other than the Managing Director and Chief Executive Officer of our Company whose details are provided hereinabove in the paragraph titled "**Brief Profile of our Directors**", the details of our Key Managerial Personnel, as on the date of this Draft Letter of Offer is set forth below.

**Key Managerial Personnel**

**Ashish Kumar Agarwal**, aged 51 years, is the Chief Financial Officer of our Company. He has been associated with our Company since 2022. He is a Member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He has experience working with companies such as Welspun Corp Limited.

**Amit Ashok Kumashi**, aged 41 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in commerce from Adarsh Vidyaprasarak Sanstha's College and a bachelor's degree in law from Vidya Prasarak Mandal's Thane Municipal Council Law College. Further, he is also a Member of the Institute of Company Secretaries of India. He has an experience of

approximately 14 years with companies such as Savex Technologies Private Limited and Sunshield Chemicals Limited. He is responsible for handling secretarial and legal matters of our Company.

**Service Contracts with Key Managerial Personnel and Senior Management Personnel**

Other than the statutory benefits, none of our Key Managerial Personnel and Senior Management Personnel are entitled to receive any termination or retirement benefits.

**Relationship between our Key Managerial Personnel and Senior Management Personnel**

None of the Key Managerial Personnel and Senior Management Personnel are related to each other.

**Status of Key Managerial Personnel and Senior Management Personnel**

As on the date of this Draft Letter of Offer, all our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

## OUR PROMOTER

Our Promoter as on date of this Draft Letter of Offer is Indus Petrochem Limited.

### Indus Petrochem Limited

Indus Petrochem Limited ("**IPL**") was incorporated on December 01, 1995, under the erstwhile Companies Act, 1956, in the name of 'Omswaran Petrochemicals Limited' and certificate of commencement business dated January 04, 1996, issued by the Registrar of Companies, Mumbai. The name of the Company was changed to 'Indus Petrochem Limited' pursuant to a fresh certificate of incorporation dated May 04, 2006, issued by the Registrar of Companies, Mumbai. The registered office of the Company is situated at 1501 A, Universal Majestic, P. L. Lokhande Marg behind RBK International Academy, Chembur, Mumbai City, Mumbai, Maharashtra, India, 400043.

Set forth below is the brief financial information of IPL based on its audited financial statements for the last three fiscal years:

Particulars	(₹ in lakhs)		
	March 31, 2024	March 31, 2023	March 31, 2022
Issued and Paid-Up Equity Capital	5	5	5
Reserves and Surplus (excluding revaluation reserves)	6216.45	5168.75	6134.20
Total Revenue*	27,331.28	47,328.13	26,409.40
Profit (Loss) after Tax	1047.71	(965.45)	887.82
Basic EPS	2095.42	(1930.90)	1775.63
Net Asset Value per equity share#	12442.9	10347.5	12278.4

\*Total Revenue = revenue from operation + other income

#Net Asset Value per equity share = Shareholders Fund / No of shares

Our Company confirms that the permanent account number and bank account number of our Promoter shall be submitted to the Stock Exchanges at the time of filing this Draft Letter of Offer.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

### *Dividend paid on Equity Shares:*

The Company has declared dividend for the first time for the financial year ending March 31, 2022. Subsequently, it also declared dividends for the financial year ending March 31, 2023, as well as both interim and final dividends for the financial year ending March 31, 2024. The mode of payment of dividend is cash through National Automated Clearing House/RTGS/NEFT and Demand Drafts in case no bank account details are available.

The amount paid as dividends in the past is not necessarily indicative of our dividend distribution policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see "**Risk Factors – Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures**" on page 30 of this Draft Letter of Offer.

**SECTION V – FINANCIAL INFORMATION**

**RESTATED FINANCIAL INFORMATION**

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON THE RESTATED FINANCIAL STATEMENTS**

To,  
The Board of Directors,  
Sunshield Chemicals Limited

Dear Sir/Ma'am,

1. We have examined the attached Restated Financial Statements of Sunshield Chemicals Limited (hereinafter referred to as "**the Company**"), Restated Statement of Assets and Liabilities as at 31 March 2024, 31 March 2023 and 31 March 2022, the Restated Statement of Profit and Loss and Restated statement of Cash flows, the Summary Statement of Material Accounting Policies and Other Explanatory Information for each of the financial years ended on 31 March 2024, 31 March 2023 and 31 March 2022 (collectively referred to as the "**Restated Financial Information**" or "**Restated Financial Statements**"), as approved by the Rights Issue Committee of the Board of Directors of the Company ("**the Board**") at their meeting held on 24<sup>th</sup> August, 2024 for the purpose of inclusion in the Offer Document prepared by the Company in connection with its proposed Right Issue ("**Right Issue**").

These Restated Financial Statements have been prepared in accordance with the requirements of:

- (i) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended ("**the Act**") read with Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (**the "Rules"**).
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 as amended ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments /clarifications from time to time.
  - (iii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time ("**the Guidance Note**").
2. The Company's Board is responsible for the preparation of the Restated Financial Statements for the purpose of inclusion in the Offer Document to be filed with Securities and Exchange Board of India, Bombay Stock Exchange and Registrar of Companies, in connection with its proposed Right Issue ("**Right Issue**"). The Restated Financial Statements have been prepared by the Management of the Company on the basis of preparation stated in Annexure 4 to the Restated Financial Statements. The responsibility of the Board, includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of Restated Financial Statements. The Board is also responsible for identifying and ensuring that the Company complies with the Act and ICDR Regulations.



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501-502, Narain Chambers, M.G. Road, Vile Parle (E), Mumbai 400 057. Tel: +91 22 6250 7600

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

3. We, M/s C N K & Associates LLP, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate dated 25-06-2024 valid till 31-07-2027 issued by the "Peer Review Board" of the ICAI.

4. We have examined such Restated Financial Statements taking into consideration:

- a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated August 21, 2024.
- b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and
- d. The requirements of Section 26 of the Companies Act 2013 and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the proposed Right Issue of equity shares of the Company.

5. These Restated Financial Statements of the Company have been compiled by the management from:

The Audited Financial Statements of the Company as at and for the financial years ended on March 31, 2024, March 31, 2023, and March 31, 2022, prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting) Standards Rules, 2015 as amended and notified under Section 133 of the Companies Act 2013, which have been approved by the Board of Directors at their meetings held on 16 May 2024, 16 May 2023 and 30 May 2022 respectively.

These Restated Financial Statements of the Company have been prepared in connection with its proposed Right issue. Being a listed Company, the management has already been preparing its financial statements in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting) Standards Rules, 2015 as amended and notified under Section 133 of the Companies Act 2013.

The audit for the financial year ended 31st March 2022 was undertaken and reported upon by M/s . Deloitte Haskins & Sells LLP, vide their report dated 30th May 2022. We have relied upon the same and the figures in Restated Financial Statements for the year ended 31st March 2022 are based on the said Audited Financial Statements for audited by other auditors.

6. In accordance with the requirements of Part I of Chapter III of Act including rules made there in, ICDR Regulations, Guidance Note and Engagement letter, we report that:

- (i) The "Restated Statement of Assets and liabilities" of the Company as at March 31, 2024, March 31, 2023, and March 31, 2022 as set out in Annexure 1 to this Report, are prepared by the Company and approved by the Board of Directors as stated in paragraph 1 above.





- (ii) The "Restated Statement of Profit and Loss" of the Company for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 as set out in Annexure 2 to this Report, are prepared by the Company and approved by the Board of Directors as stated in paragraph 1 above.
- (iii) The "Restated Statement of Cash Flows" of the Company for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 as set out in Annexure 3 to this Report, are prepared by the Company and approved by the Board of Directors as stated in paragraph 1 above.

Annexures to Restated Financial Statements of the Company

1	Restated Statement of Assets & Liabilities as appearing in Annexure 1
2	Restated Statement of Profit & Loss as appearing in Annexure 2
3	Restated Statement of Cash Flow as appearing in Annexure 3
4	Statement of Notes forming part of the Restated Financial Statement as appearing in Annexure 4

7. Based on the above and our examination as we considered necessary, we are of the opinion that:
- The Restated Financial Statements did not require any adjustments/ restatements/ regroupings / reclassifications to reflect the same accounting treatment for all reporting years.
  - There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial years ended on March 31, 2024, March 31, 2023, and March 31, 2022 which would require adjustments in the Restated Financial Statements of the Company.
  - Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Material Accounting Polices and Notes to Accounts as set out in Annexure 4 to this Report.
  - There were no adjustments made for prior period items and other material amounts in the respective financial years to which they relate.
  - There was no change in accounting policies, which needs to be adjusted in the Restated Financial Statements.
  - There was no change in estimates or provisions, which needs to be adjusted in the Restated Financial Statements.
  - There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements.
8. In our opinion, the above Restated Financial Statements contained in Annexure 1 to 4 of this Report read with the respective Material Accounting Polices and Notes to Accounts as set out in Annexure 4 are prepared after making adjustments and regrouping as considered appropriate and have been



prepared in accordance with the Act, and ICDR Regulations. The Restated Financial Statements referred to above is the responsibility of the management of the Company.

9. The Report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or any other firm of Chartered Accountants nor should this Report be construed as a new opinion on any of the Financial Statements referred to therein.
10. The Restated Financial Statements does not reflect the effects of events following the respective dates of Audited Financial Statements.
11. Our Report is intended solely for the use of the Board for inclusion in the Offer Document in connection with the Right Issue. Our Report should not be used, referred to or distributed for any other purpose except with our consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Report is shown or into whose hands it may come without our prior consent in writing.

For C N K & Associates LLP  
Chartered Accountants  
Firm Registration No: 101961W/W-100036



Partner: Diwakar. P. Sapre  
Membership No: 040740  
Place: Mumbai  
Date: August 24, 2024  
UDIN: 24040740BKEYJT7631



## Restated Statement of Assets &amp; Liabilities

(Currency: Indian Rupees in Lakhs)

Particulars	Notes	As at	As at	As at
		March 31, 2024	March 31, 2023	March 31, 2022
<b>I ASSETS</b>				
<b>1 Non current assets</b>				
(a) Property, plant and equipment	5(a)	7,450.32	7,922.11	7,108.07
(b) Capital work-in-progress	5(b)	4,509.42	85.08	736.65
(c) Intangible assets	6	19.35	19.48	-
(d) Financial assets				
Loans	7(a)	-	0.38	3.10
Other financial assets	8(a)	0.62	0.62	33.43
(e) Income tax assets (net)	9	53.54	58.22	148.56
(f) Other non-current assets	10(a)	327.10	352.85	313.02
<b>Total non-current assets</b>		<b>12,360.35</b>	<b>8,438.74</b>	<b>8,342.83</b>
<b>2 Current assets</b>				
(a) Inventories	11	4,327.65	3,637.36	2,939.85
(b) Financial assets				
Trade receivables	12	4,788.68	4,011.36	4,134.43
Cash and cash equivalents	13	-	6.52	446.56
Bank balance other than cash and cash equivalents	14	60.43	172.17	137.50
Loans	7(b)	1.75	2.80	3.78
Other financial assets	8(b)	2.01	0.38	2.46
(c) Other current assets	10(b)	1,373.48	1,452.62	1,341.08
<b>Total current assets</b>		<b>10,554.00</b>	<b>9,283.21</b>	<b>9,005.66</b>
<b>TOTAL ASSETS</b>		<b>22,914.35</b>	<b>17,721.95</b>	<b>17,348.49</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity share capital	15	735.31	735.31	735.31
(b) Other equity	16	7,483.71	5,864.57	4,631.91
<b>Total Equity</b>		<b>8,219.02</b>	<b>6,599.88</b>	<b>5,367.22</b>
<b>Liabilities</b>				
<b>2 Non-current liabilities</b>				
(a) Financial liabilities				
Borrowings	17(a)	1,609.91	4,105.05	3,500.00
(b) Provisions	18(a)	182.71	101.12	86.85
(c) Deferred tax liabilities (net)	19(a)	888.27	617.75	488.25
<b>Total non-current liabilities</b>		<b>2,680.89</b>	<b>4,823.92</b>	<b>4,075.10</b>
<b>3 Current liabilities</b>				
(a) Financial liabilities				
Borrowings	17(b)	6,937.42	3,607.08	4,354.05
Trade payables	20			
Outstanding dues of micro enterprises and small enterprises		179.07	156.53	166.95
Outstanding dues of creditors other than micro enterprises and small enterprises		3,884.08	2,215.20	3,150.52
Other financial liabilities	21	805.60	215.95	124.80
(b) Provisions	18(b)	26.30	22.47	12.03
(c) Current tax liabilities (net)	19(b)	65.47	-	34.81
(d) Other current liabilities	22	116.50	80.92	63.01
<b>Total current liabilities</b>		<b>12,014.44</b>	<b>6,298.15</b>	<b>7,906.17</b>
<b>Total liabilities</b>		<b>14,695.33</b>	<b>11,122.07</b>	<b>11,981.27</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22,914.35</b>	<b>17,721.95</b>	<b>17,348.49</b>

Material accounting policies information

2

The above balance sheet should be read in conjunction with the accompanying notes.

In terms of our report attached

For C N K & Associates LLP  
Chartered Accountants  
Firm Registration no.:101961 W/W-100036

For and on behalf of the Board of Directors  
Sunshield Chemicals Limited

**Diwakar Sapre**  
Partner  
Membership No.: 040740

**Jeet Malhotra**  
Managing Director & CEO  
DIN: 07208234

**Dr. Maya Parihar Malhotra**  
Director  
DIN: 00302976

Place: Mumbai  
Date: August 24, 2024

**Ashish Agarwal**  
Chief Financial Officer

**Amit Kumashi**  
Company Secretary

Sunshield Chemicals Limited

Restated Statement of Profit and Loss for the year  
(Currency: Indian Rupees in Lakhs)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>				
I Revenue from operations	23	28,337.54	24,476.00	24,400.42
II Other income	24	148.04	181.62	70.52
<b>III Total income (I+II)</b>		<b>28,485.58</b>	<b>24,657.62</b>	<b>24,470.94</b>
<b>IV Expenses</b>				
Cost of materials consumed	25	18,752.22	16,980.86	17,266.53
Purchases of stock-in-trade	25	537.21	-	-
Changes in inventories of work-in progress and finished goods	26	(12.37)	(360.07)	(327.88)
Employee benefits expense	27	1,638.59	1,313.76	922.77
Finance costs	28	779.08	744.27	478.30
Depreciation and amortisation expense	29	738.01	644.94	580.57
Other expenses	30	3,378.50	3,425.66	3,415.05
<b>Total expenses (IV)</b>		<b>25,811.24</b>	<b>22,749.42</b>	<b>22,335.34</b>
<b>V Profit before exceptional item and tax (III - IV)</b>		<b>2,674.34</b>	<b>1,908.20</b>	<b>2,135.60</b>
VI Exceptional item (refer note 41)		-	-	1,782.00
<b>VII Profit before tax (V - VI)</b>		<b>2,674.34</b>	<b>1,908.20</b>	<b>3,917.60</b>
<b>VIII Income Tax expense</b>				
Current tax	31	755.63	480.67	682.94
Deferred tax		34.04	69.36	487.14
Prior year tax adjustment (net of MAT credit of earlier year)		-	(7.94)	-
<b>Total tax expense (VIII)</b>		<b>789.67</b>	<b>542.09</b>	<b>1,170.08</b>
<b>IX Profit for the year (VII - VIII)</b>		<b>1,884.67</b>	<b>1,366.11</b>	<b>2,747.52</b>
<b>X Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of post employment benefit		(42.65)	19.20	7.55
Income tax relating to this item		12.42	(5.59)	(2.10)
<b>Total other comprehensive income for the year, net of tax</b>		<b>(30.23)</b>	<b>13.61</b>	<b>5.45</b>
<b>XI Total comprehensive income for the year (IX + X)</b>		<b>1,854.44</b>	<b>1,379.72</b>	<b>2,752.97</b>
<b>XII Earnings per equity share (face value of Rs. 10/- each)</b>				
<b>i) Earnings Per Share (before exceptional items)</b>				
Basic earnings per share (in Rupees)	37	25.63	18.58	13.13
Diluted earnings per share (in Rupees)		25.63	18.58	13.13
<b>i) Earnings Per Share (after exceptional items)</b>				
Basic earnings per share (in Rupees)		25.63	18.58	37.37
Diluted earnings per share (in Rupees)		25.63	18.58	37.37

Material accounting policies information

2

The above statement of profit and loss should be read in conjunction with the accompanying notes  
In terms of our report attached

For **C N K & Associates LLP**  
Chartered Accountants  
Firm Registration no.:101961 W/W-100036

For and on behalf of the Board of Directors  
**Sunshield Chemicals Limited**

**Diwakar Sapre**  
Partner  
Membership No: 040740

**Jeet Malhotra**  
Managing Director & CEO  
DIN: 07208234

**Dr. Maya Parihar Malhotra**  
Director  
DIN: 00302976

Place: Mumbai  
Date: August 24, 2024

**Ashish Agarwal**  
Chief Financial Officer

**Amit Kumashi**  
Company Secretary

**Sunshield Chemicals Limited**

**Restated Statement of cash flows for the year ended  
(Currency: Indian Rupees in Lakhs)**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(A) Cash flow from operating activities</b>			
Profit before tax and after exceptional item	2,674.34	1,908.20	3,917.60
<b>Adjustments for:</b>			
Depreciation and amortisation expense	738.01	644.94	580.57
Liabilities / provisions no longer required written back	(1.64)	-	(38.94)
Loss on disposal of property, plant and equipment (net)	2.62	67.05	-
Finance cost	779.08	744.27	478.30
Provision for doubtful trade receivables	-	0.59	-
Unrealised net exchange differences	(12.38)	(19.62)	(30.93)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>4,180.03</b>	<b>3,345.43</b>	<b>4,906.60</b>
<b>Changes in operating assets and liabilities</b>			
Trade receivables	(765.42)	140.20	(1,192.83)
Inventories	(690.29)	(697.51)	(330.52)
Other assets	84.46	(58.93)	(564.49)
Trade payables	1,693.54	(943.84)	1,239.73
Other liabilities	98.40	(55.06)	7.61
Provisions	42.77	43.91	15.22
<b>Cash flow from operations</b>	<b>4,643.49</b>	<b>1,774.20</b>	<b>4,081.32</b>
Income taxes paid	(436.58)	(362.66)	(784.29)
<b>Net cash from operating activities (A)</b>	<b>4,206.91</b>	<b>1,411.53</b>	<b>3,297.02</b>
<b>(B) Cash flow used in investing activities</b>			
Payments for property, plant and equipment, capital work-in-progress	(4,144.87)	(821.10)	(1,634.19)
Proceeds from disposal of property, plant and equipment	-	2.99	-
Investment in fixed deposits with banks (under lien)	111.74	(34.67)	(77.50)
<b>Net cash used in investing activities (B)</b>	<b>(4,033.13)</b>	<b>(852.78)</b>	<b>(1,711.69)</b>
<b>(C) Cash flow used in financing activities</b>			
Borrowing taken	500.00	4,376.25	11,754.05
Repayment of borrowings	(535.04)	(4,574.97)	(12,100.00)
Interest paid	(781.96)	(711.63)	(509.98)
Dividend paid	(233.54)	(145.24)	-
<b>Net cash flows used in financing activities (C)</b>	<b>(1,050.54)</b>	<b>(1,055.59)</b>	<b>(855.93)</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>(876.76)</b>	<b>(496.84)</b>	<b>729.40</b>
Cash and cash equivalents at the beginning of the year	(50.28)	446.56	(282.85)
<b>Cash and cash equivalents at the end of the year</b>	<b>(927.04)</b>	<b>(50.28)</b>	<b>446.55</b>
<b>Reconciliation of cash and cash equivalents with the balance Sheet</b>			
Cash and bank balances as per balance sheet (refer note 13)	-	6.52	446.56
Bank overdrafts (refer note 17(b))	(927.04)	(56.80)	-
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>(927.04)</b>	<b>(50.28)</b>	<b>446.56</b>

Material accounting policies information - Note 2

The above statement of cash flows should be read in conjunction with the accompanying notes.

In terms of our report attached

For **C N K & Associates LLP**  
Chartered Accountants  
Firm Registration no.:101961 W/W-100036

For and on behalf of the Board of Directors  
**Sunshield Chemicals Limited**

**Diwakar Sapre**  
Partner  
Membership No.: 040740

**Jeet Malhotra**  
Managing Director & CEO  
DIN: 07208234

**Dr. Maya Parihar Malhotra**  
Director  
DIN: 00302976

**Ashish Agarwal**  
Chief Financial Officer

**Amit Kumashi**  
Company Secretary

Place: Mumbai  
Date: August 24, 2024

Restated Statement of Changes in Equity  
(Currency: Indian Rupees in Lakhs)

## (a) Equity share capital :

	Notes	Balance at the beginning of the year	Change in equity share capital during	Balance as at the end of the year
As at March 31, 2024		735.31	-	735.31
As at March 31, 2023	15	735.31	-	735.31
As at March 31, 2022		735.31	-	735.31

## (b) Other equity :

Particulars	Notes	Reserves & Surplus			Total
		Capital reserve	Securities premium	Retained earnings	
As at April 01, 2021		453.56	883.10	542.28	1,878.94
Profit for the year		-	-	2,747.52	2,747.52
Other comprehensive Income for the year (net of income tax)		-	-	5.45	5.45
<b>Total comprehensive income for the year</b>		-	-	<b>2,752.97</b>	<b>2,752.97</b>
As at March 31, 2022		453.56	883.10	3,295.25	4,631.91
Profit for the year		-	-	1,366.11	1,366.11
Other comprehensive Income for the year (net of income tax)		-	-	13.61	13.61
Dividends paid		-	-	(147.06)	(147.06)
<b>Total comprehensive income for the year</b>		-	-	<b>1,232.66</b>	<b>1,232.66</b>
As at March 31, 2023		453.56	883.10	4,527.91	5,864.57
Profit for the year		-	-	1,884.67	1,884.67
Other comprehensive income for the year (net of income tax)		-	-	(30.23)	(30.23)
Dividends paid		-	-	(147.06)	(147.06)
Interim dividends paid		-	-	(88.24)	(88.24)
<b>Total comprehensive income for the year</b>		-	-	<b>1,619.14</b>	<b>1,619.14</b>
As at March 31, 2024		453.56	883.10	6,147.05	7,483.71
Material accounting policies information	2				

The above statement of change in equity should be read in conjunction with the accompanying notes  
In terms of our report attached

**For C N K & Associates LLP**  
Chartered Accountants  
Firm Registration no.:101961 W/W-100036

For and on behalf of the Board of Directors  
**Sunshield Chemicals Limited**

**Diwakar Sapre**  
Partner  
Membership No.: 040740

**Jeet Malhotra**  
Managing Director & CEO  
DIN: 07208234

**Dr. Maya Parihar Malhotra**  
Director  
DIN: 00302976

**Ashish Agarwal**  
Chief Financial Officer

**Amit Kumashi**  
Company Secretary

Place: Mumbai  
Date: August 24, 2024

## Sunshield Chemicals Limited

### Notes to Restated Financial Statements

#### 1. COMPANY BACKGROUND

Sunshield Chemicals Limited ('the Company') is a Public Limited Company and was incorporated in India on 19 November 1986 under the Companies Act, 1956 and has its registered office 1501-A, Universal Majestic, P.L. Lokhande Marg, Opp. RBK International School, Chembur West Mumbai Maharashtra. The Company is engaged in manufacture and sale of Speciality Chemicals in the domestic and international markets.

The Financials Statements for the year ended 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 are approved by the Company's Board of Directors at their meeting held on 16<sup>th</sup> May 2024, 16<sup>th</sup> May 2023 and 30<sup>th</sup> May 2022 respectively.

#### 1A. BASIS OF PREPARATION:

##### a) Statement of Compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act').

The Financial Statements are presented in Indian Rupees and all values are rounded to the nearest lakhs, except where otherwise indicated.

##### b) Basis of preparation of Financial Statements

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration at the date of the transaction, in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are not based on observable data i.e. based on unobservable inputs.

## Sunshield Chemicals Limited

### Notes to Restated Financial Statements

- c) The Restated Financial Statements have been made after incorporating adjustments/ restatements and regroupings / reclassifications retrospectively in respective financial years, if any, to reflect the same accounting treatment for all reporting years.
- d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial year ended on March 31, 2024, March 31, 2023, and March 31, 2022, which would require adjustments in this Restated Financial Statements of the Company.
- e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regroupings as are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts.
- f) There were no adjustments made for prior period items and other material amounts in the respective financial years to which they relate.
- g) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Statements.
- h) There was no change in estimates or provisions, which needs to be adjusted in the Restated Financial Statements.
- i) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements.



## Sunshield Chemicals Limited

### Notes to Restated Financial Statements

#### 2. Material Accounting Policy Information:

##### 2.1 Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

##### (a) Sale of products

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. The revenue is measured based on transaction price, which is the fair value of the consideration received or receivable and is net of discounts, allowances, returns, goods and services tax.

##### (b) Sale of Services

Revenue from services is recognised on rendering of services as per the terms and conditions agreed with the customers.

##### (c) Export Incentives

Income from export Incentives such as duty drawback, advance licenses, RoDTEP are recognized on an accrual basis.

##### 2.2 Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

##### 2.3 Foreign currency transactions and translations

The functional currency of the Company is the Indian Rupee. The treatment of foreign currency transactions is as under:

##### Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or using rates that closely approximate the rate at the date of the transaction.

##### Measurement at the balance sheet date

At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at that date. Non-monetary items are measured at fair value based on exchange rate prevailing when the fair value is determined.

##### Treatment of exchange differences

Exchange differences in relation to monetary items arising at the time of settlement or translation are recognised in profit or loss in the period in which they arise.

##### 2.4 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with income tax laws) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

##### Current Tax

The tax currently payable is based on taxable profit for the year. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

## Sunshield Chemicals Limited

### Notes to Restated Financial Statements

#### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred tax asset if there is convincing evidence that the Company will pay normal income tax in future. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Current and Deferred Tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the related current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

#### 2.5 Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use.

Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Freehold land is not depreciated. Depreciation on property, plant and equipment has been provided on the straight-line method (SLM) in accordance with the useful lives specified in Part – C of Schedule

## Sunshield Chemicals Limited

### Notes to Restated Financial Statements

It of the Companies Act, 2013 on a pro-rata basis except in the case of certain items of Plant & Machinery over their useful lives ranging from 7 years to 18 years as estimated by the company.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

#### Capital work-in-progress:

Projects under which tangible property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, expenditure during construction period directly related to the projects and attributable interest, if applicable as Capital work-in-progress.

#### 2.6 Intangible Assets

Intangible assets which are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

#### 2.7 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are tested at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' or the cash generating unit's (CGU) carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risk specific to the asset for which the estimates of the future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset or the CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

#### 2.8 Inventories

Inventories are measured at the lower of cost (arrived at on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

#### 2.9 Provisions, contingent liabilities, and contingent assets

##### Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## Sunshield Chemicals Limited

### Notes to Restated Financial Statements

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

#### Contingent liabilities

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote, when there is:

- A possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or
- A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or reliable estimate of the amount cannot be made.

#### Contingent assets

A contingent asset is neither recognised nor disclosed in the financial statements.

### 2.10 Financial Instruments

#### a) Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. At initial recognition, financial assets (other than trade receivables) and financial liabilities are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value through Profit or Loss are recognised in the Statement of Profit and Loss.

#### i) Financial assets

All financial assets are initially measured at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of financial assets. Trade receivables that do not contain a significant financing component are measured at transaction price.

After initial recognition all financial assets (other than derivative instruments) meeting the relevant criteria, are subsequently measured at amortised cost using the effective interest method. The Company has not designated any financial asset as FVTPL or Fair Value through Other Comprehensive Income ("FVTOCI").

Debt instruments that meet conditions based on purpose of holding assets and contractual terms of instrument are subsequently measured at amortised cost using effective interest method. All other financial assets are measured at fair value. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as Fair Value Through Profit or Loss. Interest income is recognised in the statement of profit or loss and is included in the "Other income" line item.

#### Impairment of Financial Assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For trade receivables and any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109.

## Sunshield Chemicals Limited

### Notes to Restated Financial Statements

The expected credit loss allowance has been made taking into the account historical credit loss experience and adjusted for forward looking information.

#### ii) Financial Liabilities and equity instruments

##### Classification of debt or equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

##### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

##### Financial Liabilities

All financial liabilities (other than derivative financial instruments) are measured at amortised cost using effective interest method at the end of the reporting period.

#### b) Derecognition of Financial Assets and Liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when the Company transfers the contractual rights to receive the cash flows of the financial asset in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset. The Company derecognises a financial liability (or a part of financial liability) when the contractual obligation is discharged, cancelled or expires.

##### Derivative Financial Instruments

Whenever Company holds derivative financial instruments such as foreign exchange forward contracts and principal swap to manage its exposure to foreign currency exchange rate risks. Derivatives are initially recognised at fair value at the date the contracts are entered into. Subsequent to initial recognition, these contracts are remeasured at fair value at the end of each reporting period and changes are recognised in the Statement of Profit and Loss.

##### Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The Company's accounting policies and disclosures, in a few cases, require the measurement of fair values, for both financial and non-financial assets and liabilities. Wherever available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

#### 2.11 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes

## Sunshield Chemicals Limited

### Notes to Restated Financial Statements

in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### 2.12 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance. The Company identifies secondary segment on the basis of geographical location of the customers.

#### 2.13 Employee benefits

Compensation to employees for services rendered is measured and accounted for in accordance with Ind AS 19 on Employee Benefits.

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to profit or loss in the period in which the service is rendered.

Employee Benefits under defined benefit plans such as gratuity which fall due for payment after completion of employment are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company's obligation recognised in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'.

Actuarial Gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the balance sheet represents the deficit or surplus in the Company's defined benefit plans.

#### 2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## Sunshield Chemicals Limited

### Notes to Restated Financial Statements

#### 2.15 Earnings per share

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Ind AS 33 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

#### 3 Recent Indian Accounting Standards (Ind AS)

During the year the Ministry of Corporate Affairs (MCA) has not notified any amendments to Companies (Indian Accounting Standards) Amendment Rules, 2023.

#### 4 Critical accounting judgments and key sources of estimation uncertainty

In application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on various factors including historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### a) Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During financial years ended March 31, 2024 and 2023, there were no changes in useful lives of property, plant and equipment. The Company at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether the plant (cash generating unit) may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognised in the Statement of Profit and Loss.

##### b) Impairment of trade receivables

The Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer status, customer creditworthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

##### c) Contingencies

In the normal course of business, contingent liabilities may arise from litigations and other claims against the company. There are certain obligations which management has concluded, which based on all available facts and circumstances, are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in the notes but are not provided for in the financial statements.

Sunshield Chemicals Limited  
Restated Notes forming part of financial statements for the year  
(Currency: Indian Rupees in Lakhs)

5(a). Property, plant and equipment

Description	Gross Block			Depreciation				Net Block	
	As at April 01, 2023	Additions	Deductions	As at March 31, 2024	As at April 01, 2023	For the year	Deductions	As at March 31, 2024	As at March 31, 2024
Freehold Land	195.01	-	-	195.01	-	-	-	-	195.01
Buildings	1,762.29	21.48	-	1,783.77	515.34	78.98	-	594.32	1,189.45
Plant and Equipment	9,724.72	228.22	(24.20)	9,928.74	3,323.03	635.40	(21.58)	3,936.85	5,991.89
Furniture and Fixtures	1.14	-	-	1.14	0.31	0.13	-	0.44	0.70
Vehicle	14.00	-	-	14.00	7.24	1.73	-	8.97	5.03
Computers	212.50	3.20	-	215.70	170.10	10.80	-	180.90	34.80
Office Equipments	29.92	12.30	-	42.22	1.43	7.35	-	8.78	33.44
<b>Total</b>	<b>11,939.58</b>	<b>265.20</b>	<b>(24.20)</b>	<b>12,180.58</b>	<b>4,017.45</b>	<b>734.39</b>	<b>(21.58)</b>	<b>4,730.26</b>	<b>7,450.32</b>

Description	Gross Block			Depreciation				Net Block	
	As at April 01, 2022	Additions	Deductions	As at March 31, 2023	As at April 01, 2022	For the year	Deductions	As at March 31, 2023	As at March 31, 2023
Freehold Land	195.01	-	-	195.01	-	-	-	-	195.01
Buildings	1,708.03	54.26	-	1,762.29	441.75	73.59	-	515.34	1,246.95
Plant and Equipment	8,442.60	1,401.43	(119.31)	9,724.72	2,810.82	561.93	(49.71)	3,323.04	6,401.68
Furniture and Fixtures	1.18	-	(0.04)	1.14	0.22	0.13	(0.04)	0.31	0.83
Vehicle	14.00	-	-	14.00	5.51	1.73	-	7.24	6.76
Computers	183.49	42.82	(13.81)	212.50	177.93	5.55	(13.37)	170.11	42.39
Office Equipments	7.02	29.92	(7.02)	29.92	7.02	1.43	(7.02)	1.43	28.49
<b>Total</b>	<b>10,551.33</b>	<b>1,528.43</b>	<b>(140.18)</b>	<b>11,939.58</b>	<b>3,443.25</b>	<b>644.36</b>	<b>(70.14)</b>	<b>4,017.46</b>	<b>7,922.11</b>

Description	Gross Block			Depreciation				Net Block	
	As at April 01, 2021	Additions	Deductions	As at 31 March 2022	As at April 01, 2021	For the year	Deductions	As at 31 March 2022	As at 31 March 2022
Freehold Land	195.01	-	-	195.01	-	-	-	-	195.01
Buildings	1,670.79	37.24	-	1,708.03	367.50	74.25	-	441.75	1,266.28
Plant and Equipment	7,421.40	1,021.20	-	8,442.60	2,316.14	494.68	-	2,810.82	5,631.78
Furniture and Fixtures	1.18	-	-	1.18	0.10	0.12	-	0.22	0.96
Vehicle	14.00	-	-	14.00	3.76	1.75	-	5.51	8.49
Computers	180.27	3.22	-	183.49	168.16	9.77	-	177.93	5.56
Office Equipments	7.02	-	-	7.02	7.02	-	-	7.02	-
<b>Total</b>	<b>9,489.68</b>	<b>1,061.66</b>	<b>-</b>	<b>10,551.33</b>	<b>2,862.68</b>	<b>580.57</b>	<b>-</b>	<b>3,443.25</b>	<b>7,108.07</b>



Sunshield Chemicals Limited  
Restated Notes forming part of financial statements for the year  
(Currency: Indian Rupees in Lakhs)

5(b). Capital work-in-progress

Description	Amount
Opening balance as at April 01, 2023	85.08
<b>Additions</b>	
Construction cost	4,501.09
Expenditure incurred during the construction period (project salary cost)	188.45
Transfer to property, plant and equipment	(265.20)
<b>Closing balance (pending allocation of salary cost of Rs. 188.45 lakhs) as at March 31, 2024</b>	<b>4,509.42</b>
Opening balance as at April 01, 2022	736.65
Additions	876.86
Transfer to property, plant and equipment	(1,528.43)
<b>Closing balance as at March 31, 2023</b>	<b>85.08</b>
Opening balance as at April 01, 2021	128.46
Additions	1,669.85
Transfer to property, plant and equipment	(1,061.66)
<b>Closing balance as at March 31, 2022</b>	<b>736.65</b>

Capital work-in-progress ageing schedule as at March 31, 2024 and March 31, 2023 and March 31, 2022 is as follows:

Particulars		Amount in CWIP for a Period of				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress - Plant automation	As at March 31, 2024	4,474.17	35.25	-	-	4,509.42
	As at March 31, 2023	(85.08)	-	-	-	(85.08)
	As at March 31, 2022	(720.80)	(15.85)	-	-	(736.65)
<b>Total Capital work-in-progress</b>	As at March 31, 2024	4,474.17	35.25	-	-	4,509.42
	As at March 31, 2023	(85.08)	-	-	-	(85.08)
	As at March 31, 2022	(720.80)	(15.85)	-	-	(736.65)

Project wise breakup of Capital-work-in progress

Particulars		To be completed in				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Project in Progress	Plant automation					
	As at March 31, 2024	4,509.42	-	-	-	4509.42
	As at March 31, 2023	(85.08)	-	-	-	(85.08)
	As at March 31, 2022	(736.65)	-	-	-	(736.65)
<b>Total Capital work-in-progress</b>	As at March 31, 2024	4,509.42	-	-	-	4,509.42
	As at March 31, 2023	(85.08)	-	-	-	(85.08)
	As at March 31, 2022	(736.65)	-	-	-	(736.65)

Figures in brackets are for the previous years

There are no project whose completion is overdue or exceeded its cost compare to its original plan

6. Intangible assets

Description	Gross Block				Depreciation				Net Block
	As at April 01, 2023	Additions	Deductions	As at March 31, 2024	As at April 01, 2023	For the year	Deductions	As at March 31, 2024	As at March 31, 2024
Software	20.06	3.49	-	23.55	0.58	3.62	-	4.20	19.35
<b>Total</b>	<b>20.06</b>	<b>3.49</b>	<b>-</b>	<b>23.55</b>	<b>0.58</b>	<b>3.62</b>	<b>-</b>	<b>4.20</b>	<b>19.35</b>

Description	Gross Block				Depreciation				Net Block
	As at April 01, 2022	Additions	Deductions	As at March 31, 2023	As at April 01, 2022	For the year	Deductions	As at March 31, 2023	As at March 31, 2023
Software	-	20.06	-	20.06	-	0.58	-	0.58	19.48
<b>Total</b>	<b>-</b>	<b>20.06</b>	<b>-</b>	<b>20.06</b>	<b>-</b>	<b>0.58</b>	<b>-</b>	<b>0.58</b>	<b>19.48</b>

Restated Notes forming part of financial statements for the year  
(Currency: Indian Rupees in Lakhs)

## 7. Loans

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
<b>7(a) Long-term</b>			
<b>Unsecured, considered good</b>			
Loans to employees	-	0.38	3.10
<b>Total long-term loans</b>	-	<b>0.38</b>	<b>3.10</b>
<b>7(b) Short-term</b>			
<b>Unsecured, considered good</b>			
Loans to employees	1.75	2.80	3.78
<b>Total short-term loans</b>	<b>1.75</b>	<b>2.80</b>	<b>3.78</b>
<b>Total loans</b>	<b>1.75</b>	<b>3.18</b>	<b>6.88</b>

## 8. Other financial assets

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
<b>8(a) Non-current</b>			
<b>Unsecured, considered good</b>			
Security deposits	-	-	32.81
Deposits with bank*	0.62	0.62	0.62
<b>Total non-current financial assets</b>	<b>0.62</b>	<b>0.62</b>	<b>33.43</b>
<b>8(b) Current</b>			
<b>Unsecured, considered good</b>			
Interest receivable on deposits	2.01	0.38	2.46
<b>Total current financial assets</b>	<b>2.01</b>	<b>0.38</b>	<b>2.46</b>
<b>Total financial assets</b>	<b>2.63</b>	<b>1.00</b>	<b>35.89</b>

\* Lien marked with irrigation division Kolad, Raigad

## 9. Income tax assets

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Advance income-tax (net of provision 2023 Rs 1,599.44 Lakh (2022 Rs. 837.60 lakhs))	53.54	58.22	148.56
<b>Total income tax assets</b>	<b>53.54</b>	<b>58.22</b>	<b>148.56</b>

## 10. Other assets

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
<b>10(a) Non-current</b>			
Balances with Government authorities (other than Income tax)			
- VAT refund receivable	103.77	117.00	117.00
- Revenue deposit receivable	-	-	14.01
- VAT paid under protest (refer note 32)	185.57	182.01	182.01
Income tax paid under protest	4.15	-	-
Capital advances	33.61	53.84	-
<b>Total other non-current assets</b>	<b>327.10</b>	<b>352.85</b>	<b>313.02</b>
<b>10(b) Current</b>			
Prepaid expenses	101.18	82.38	88.73
Balances with Government authorities (other than Income tax)			
- Goods and service tax	727.63	1,102.88	969.69
- GST export rebate	289.28	171.73	69.56
Export incentive receivable	50.00	49.21	2.68
Advances to employees against expenses	-	-	3.83
Advances to suppliers of goods and services	205.39	46.42	206.59
<b>Total other current assets</b>	<b>1,373.48</b>	<b>1,452.62</b>	<b>1,341.08</b>
<b>Total other assets</b>	<b>1,700.58</b>	<b>1,805.47</b>	<b>1,654.10</b>

Restated Notes forming part of financial statements for the year  
(Currency: Indian Rupees in Lakhs)

## 11. Inventories (at lower of cost and net realisable value)

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Raw materials (includes Goods-in-transit Rs 579.59 Lakh (2023 Rs 323.49 Lakh and 2022 Rs nil))	2,039.66	1,435.69	1,131.15
Packing materials	108.22	78.26	60.21
Work-in-progress	488.84	426.41	421.14
Finished goods (Includes Goods-in-transit Rs 74.60 Lakh (2023 Rs 164.07 Lakh and 2022 Rs 310.41 Lakh))	1,407.24	1,457.30	1,102.50
Stores and spares	283.69	239.70	224.85
<b>Total inventories</b>	<b>4,327.65</b>	<b>3,637.36</b>	<b>2,939.85</b>

## 12. Trade Receivables

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
<b>Unsecured</b>			
Trade receivable - considered good	4,791.82	4,016.14	4,138.62
Trade receivables - credit impaired	-	-	-
	4,791.82	4,016.14	4,138.62
Less: Allowance for expected credit loss	3.14	4.78	4.19
<b>Total trade receivables</b>	<b>4,788.68</b>	<b>4,011.36</b>	<b>4,134.43</b>

## Ageing for trade receivables as at March 31, 2024 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		less than 6 Month	6 Month to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables-Considered Good	4,423.66	365.08	1.81	1.27	-	-	4,791.82
(ii) Less: Allowance for expected credit loss	-	-	-	-	-	-	3.14
<b>Total</b>	<b>4,423.66</b>	<b>365.08</b>	<b>1.81</b>	<b>1.27</b>	<b>-</b>	<b>-</b>	<b>4,788.68</b>

## Ageing for trade receivables as at March 31, 2023 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		less than 6 Month	6 Month to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables-Considered Good	3,676.81	318.03	21.30	-	-	-	4,016.14
(ii) Allowance for expected credit loss	-	-	-	-	-	-	4.78
<b>Total</b>	<b>3,676.81</b>	<b>318.03</b>	<b>21.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,011.36</b>

## Ageing for trade receivables as at March 31, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		less than 6 Month	6 Month to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables-Considered Good	3,389.06	749.56	-	-	-	-	4,138.62
(ii) Allowance for expected credit loss	-	-	-	-	-	-	4.19
<b>Total</b>	<b>3,389.06</b>	<b>749.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,134.43</b>

**Note:**

The average credit period on sale of goods is 60 days. No interest is charged on trade receivables.

In accordance with Ind AS 109, the Company has used the Practical expedient by computing the expected credit Loss allowance for trade receivables by following simplified approach. The Expected credit Loss Model takes into account historical credit loss experience and adjusted for forward looking information.

For movement in allowance for doubtful debts refer note 39

## 13. Cash and cash equivalents

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Balance with banks - in current accounts	-	6.52	446.56
<b>Total cash and cash equivalents</b>	<b>-</b>	<b>6.52</b>	<b>446.56</b>

## 14. Bank balances other than cash and cash equivalents

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Fixed deposits with bank (refer note (a) below)	56.85	170.35	137.50
Unclaimed dividend (refer note (b) below)	3.58	1.82	-
<b>Total bank balances other than cash and cash equivalents</b>	<b>60.43</b>	<b>172.17</b>	<b>137.50</b>

(a) above deposits are held as margin money against bank guarantee or letter of credit.

(b) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end. This amount represents restricted cash.

Restated Notes forming part of financial statements for the year  
(Currency: Indian Rupees in Lakhs)

## 15. Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Authorised share capital</b>			
1,50,00,000 equity shares of Rs.10/- each	1,500.00	1,500.00	1,500.00
50,00,000 7% Non Cumulative Redeemable Preference shares of Rs.10/- each	500.00	500.00	500.00
	<b>2,000.00</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>Issued, Subscribed and fully paid up</b>			
73,53,060 (2023: 73,53,060) equity shares of Rs.10/- each fully paid up	735.31	735.31	735.31
<b>Total equity share capital</b>	<b>735.31</b>	<b>735.31</b>	<b>735.31</b>

**Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:**

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Opening Balance	73,53,060	735.31	73,53,060	735.31	73,53,060	735.31
Increase/ (decrease) during the year	-	-	-	-	-	-
Closing balance	<b>73,53,060</b>	<b>735.31</b>	<b>73,53,060</b>	<b>735.31</b>	<b>73,53,060</b>	<b>735.31</b>

**Details of shareholders holding more than 5% shares in the Company:**

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of held	No. of Shares	% of held	No. of Shares	% of held
Indus Petrochem Ltd (Holding Company) w.e.f Nov 30, 2021	45,85,396	62.36%	45,85,396	62.36%	45,85,396	62.36%

**Details of shares allotted for the period of five years immediately preceding the date as at which the Balance Sheet**

- (a) No shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash.  
(b) No shares allotted as fully paid-up by way of bonus shares.  
(c) No shares bought back.

**Details of Equity Shares held by the Holding Company:**

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Indus Petrochem Ltd (Holding Company) w.e.f Nov 30, 2021	45,85,396	62.36%	45,85,396	62.36%	45,85,396	62.36%

**Details of shareholding of promoters**

Promoters Name	As at March 31, 2024		
	No of shares	% of total shares	% change during the year
Indus Petrochem Limited	45,85,396	62.36%	0%
	<b>As at March 31, 2023</b>		
Indus Petrochem Limited	45,85,396	62.36%	0%
	<b>As at March 31, 2022</b>		
Indus Petrochem Limited	45,85,396	62.36%	100%

Note: Above list is certified by the Share Transfer Agent.

**Terms/Rights attached to equity shares**

The Company has issued only one class of shares referred to as equity shares having a par value of Rs 10 per share. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Restated Notes forming part of financial statements for the year**  
**(Currency: Indian Rupees in Lakhs)**

**16. Other equity**

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
A. Capital reserve	453.56	453.56	453.56
B. Securities premium	883.10	883.10	883.10
<b>C. Retained earnings</b>			
Balance at the beginning of the year	4,527.91	3,295.25	542.28
Add : Profit for the year	1,884.67	1,366.11	2,747.52
Add : Other comprehensive income	(30.23)	13.61	5.45
Less : Final dividend on equity shares	(147.06)	(147.06)	-
Less : Interim dividend on equity shares	(88.24)	-	-
Balance at the end of the year	<b>6,147.05</b>	<b>4,527.91</b>	<b>3,295.25</b>
<b>Total other equity</b>	<b>7,483.71</b>	<b>5,864.57</b>	<b>4,631.91</b>

**Notes:**

(i) The Board of Directors of the Company have recommended Final Dividend of Rs. 1.20 (previous year Rs. 2) per share for the financial year ended March 31, 2024 to be paid on fully paid Equity Shares amounting to Rs 88.24 lakhs. The Final dividend is subject to the approval of shareholders at Annual general Meeting and has not been included as liability in these financial statements.

**(ii) Nature of reserves****(a) Capital reserve**

Capital Reserves includes :

- Rs. 26.06 lakhs of various capital incentive grants received from time to time from Government of Maharashtra on the basis of investments made in plant and machinery as backward area incentives.
- Rs. 427.50 lakhs of reserves was created in an earlier year consequent to surrender of tenancy rights for redevelopment in exchange for office premises. The office premises have since been disposed off.

Both the capital reserves are not available for distribution to the shareholders as dividend.

**(b) Securities premium**

Security premium account is created when shares are issued at premium. The Company can use this reserve in accordance with the provisions of the Act.

**(c) Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to other reserves, less any dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

**17. Borrowings**

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
<b>17(a) Long-Term borrowings</b>			
<b>Secured</b>			
<b>Measured at amortised cost</b>			
Term loan from a banks (refer note (i) below)	1,026.58	1,188.38	-
<b>Unsecured</b>			
<b>Measured at amortised cost</b>			
Loans from a related party (refer note 35 e (i))			-
- Term loan (refer note (ii) below)	583.33	2,916.67	3,500.00
<b>Total long-term borrowings</b>	<b>1,609.91</b>	<b>4,105.05</b>	<b>3,500.00</b>

**Note:**

Particulars	Present Rate of interest	Terms of Repayment	Amount
(i) Term loan from HDFC Bank is secured by Hypothecation of entire Stocks, Book debts, Plant & Machinery and Mortgage of Factory premises as a collateral security and corporate guarantee from Indus Petrochem Limited, the Holding Company (also refer note 17 (b) below)	9.10% p.a.	The loan is repayable in 37 equal monthly Instalments	512.32
	10.03% p.a.	The loan is repayable in 62 equal monthly Instalments	1,107.97
(ii) Indus Petrochem Limited- the Holding Company (also refer note 17 (b) below)	8.75% p.a.	The loan is repayable from May 24, 2024, in quarterly Instalments as under: 1st Instalments of Rs.1,166.66 and 4 Instalments of Rs. 583.33 each.	3,500.00

Restated Notes forming part of financial statements for the year  
(Currency: Indian Rupees in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at Mar 31, 2022
<b>17(b) Short-term borrowings</b>			
<b>Secured</b>			
<b>Measured at amortised cost</b>			
Loans repayable on demand from banks			
- Overdraft facilities*	927.04	56.80	-
- Working capital Demand Loan*	2,500.00	2,500.00	-
Current maturities of long-term borrowings	593.71	466.95	-
<b>Unsecured</b>			
<b>Measured at amortised cost</b>			
Loans from related party (refer note)	-	-	3,354.05
Short term Loans	-	-	1,000.00
Current maturities of long-term borrowings from related party (refer note 35 e (i))	2,916.67	583.33	-
<b>Total short-term borrowings</b>	<b>6,937.42</b>	<b>3,607.08</b>	<b>4,354.05</b>

\*Loan from HDFC bank - interest rate @ 9.64 (Linked to 3M T-Bill)

The Company has obtained financing from banks for managing its short term and long term funding requirements. The below table provides the reconciliation between quarterly returns filed by the Company with banks and books of account.

Particulars	Amount as per Books of Account (A)	Amount as per statement of assets filed with the banks (B)	Diff (A-B)	Remarks
For the quarter ended June 30, 2023				The differences are on account of Purchase in transit, Sales in Transit, Advances regroupings, Debtors and Payable reconciliation etc. The Company submit its data to banks as per agreed timelines. However, accounts get finalised after due reconciliation and review by auditors on quarterly basis. In any case it does not affect drawing power adversely.
Trade Receivable	4,251.11	4,251.14	(0.03)	
Trade Payable	2,163.84	2,171.42	(7.58)	
Inventories	3,228.76	3,223.03	5.73	
For the quarter ended September 30, 2023				
Trade Receivable	4,008.06	4,008.06	-	
Trade Payable	2,190.89	1,877.98	312.91	
Inventories	3,233.31	3,233.31	-	
For the quarter ended December 31, 2023				
Trade Receivable	3,983.75	4,202.64	(218.89)	
Trade Payable	2,525.81	2,000.47	525.34	
Inventories	3,150.51	3,150.51	-	
For the quarter ended March 31, 2024				
Trade Receivable	4,788.68	4,787.05	1.63	
Trade Payable	4,054.12	3,814.06	240.06	
Inventories	4,327.65	4,309.28	18.37	

18. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>18(a) Non-current</b>			
<b>Employee benefit obligations (refer note 36)</b>			
Leave obligations	113.83	91.84	70.32
Gratuity	68.88	9.28	16.53
<b>Total non-current provisions</b>	<b>182.71</b>	<b>101.12</b>	<b>86.85</b>
<b>18(b) Current</b>			
<b>Employee benefit obligations (refer note 36)</b>			
Leave obligations	26.30	22.47	12.03
Gratuity	-	-	-
<b>Total current provisions</b>	<b>26.30</b>	<b>22.47</b>	<b>12.03</b>
<b>Total provisions</b>	<b>209.01</b>	<b>123.59</b>	<b>98.88</b>

Restated Notes forming part of financial statements for the year  
(Currency: Indian Rupees in Lakhs)

## 19. (a) Deferred tax liabilities (net) (refer note 31 c)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Tax effect of items consisting Deferred tax liability</b>			
On property, plant and equipment allowances on	961.29	921.50	873.74
<b>Tax effect of items consisting Deferred tax assets</b>			
Disallowance under section 43(B) / 40(a) of Income tax Act, 1961	(64.58)	(36.76)	(51.83)
MAT credit	-	(248.90)	(303.44)
Others	(8.44)	(18.09)	(30.22)
<b>Total deferred tax liabilities (net)</b>	<b>888.27</b>	<b>617.75</b>	<b>488.25</b>

Deferred tax assets and deferred tax liabilities have been offset as they relate to same governing taxation laws.

## 19. (b) Current tax liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Provision for tax (net of Advance tax of Rs 690.16)	65.47	-	34.81
<b>Total Current tax liabilities</b>	<b>65.47</b>	<b>-</b>	<b>34.81</b>

## 20. Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Current</b>			
Trade payables dues of micro and small enterprises	179.07	156.53	166.95
Trade payables dues of other than micro enterprises and small enterprises	3,884.08	2,215.20	3,150.52
<b>Total trade payables</b>	<b>4,063.15</b>	<b>2,371.73</b>	<b>3,317.47</b>

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

## Ageing for trade payable as at March 31, 2024 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Undisputed Trade Payables</b>						
(i) MSME	156.22	22.85	-	-	-	179.07
(ii) Others	3,322.46	560.10	0.35	1.00	0.17	3,884.08
<b>Total Trade Payable</b>	<b>3,478.68</b>	<b>582.95</b>	<b>0.35</b>	<b>1.00</b>	<b>0.17</b>	<b>4,063.15</b>

## Ageing for trade payable as at March 31, 2023 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Undisputed Trade Payables</b>						
(i) MSME	148.51	8.02	-	-	-	156.53
(ii) Others	2,021.15	113.48	52.91	22.06	5.60	2,215.20
<b>Total Trade Payable</b>	<b>2,169.66</b>	<b>121.50</b>	<b>52.91</b>	<b>22.06</b>	<b>5.60</b>	<b>2,371.73</b>

## Ageing for trade payable as at March 31, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Undisputed Trade Payables</b>						
(i) MSME	155.95	11.00	-	-	-	166.95
(ii) Others	1,867.30	1,209.54	49.23	8.72	15.73	3,150.52
<b>Total Trade Payable</b>	<b>2,023.25</b>	<b>1,220.54</b>	<b>49.23</b>	<b>8.72</b>	<b>15.73</b>	<b>3,317.47</b>

**Restated Notes forming part of financial statements for the year**  
**(Currency: Indian Rupees in Lakhs)**

The 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 amount of principal and interest outstanding at the year end are given below:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a) The amount remaining payable to any supplier at the end of the accounting year:			
Principal amount	179.07	156.53	166.95
Interest due thereon	-	1.68	3.70
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	2.69	1.68	3.70
(d) The amount of interest accrued and remaining unpaid at the end of the year	8.07	5.38	25.64
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	0.98

**21. Other current financial liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Measured at amortised cost</b>			
Interest accrued but not due on borrowings	29.76	32.64	-
Capital creditors	696.24	168.29	38.63
Employee benefits payable	76.02	13.20	86.17
Unclaimed dividend (refer note 14)	3.58	1.82	-
<b>Total other current financial liabilities</b>	<b>805.60</b>	<b>215.95</b>	<b>124.80</b>

**22. Other current liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Statutory dues including provident fund and tax deducted at source	43.37	38.04	51.60
Trade advances	9.34	4.83	9.71
Other Payables	63.79	38.05	1.70
<b>Total other current liabilities</b>	<b>116.50</b>	<b>80.92</b>	<b>63.01</b>



23. Revenue from operations

Particulars	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Sale of products			
Finished goods (speciality chemicals)	27,613.39	24,403.06	24,288.32
Traded goods	555.34	-	
Sale of services			
Processing charges	33.82	37.21	57.23
Other operating revenue			
Scrap sales	119.23	27.03	46.55
Duty drawback	15.76	8.70	8.32
<b>Total revenue from operations</b>	<b>28,337.54</b>	<b>24,476.00</b>	<b>24,400.42</b>

24. Other income

Particulars	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Interest income			
On bank deposits	25.10	6.72	3.88
From others	1.31	-	6.69
Profit on sale of property, plant and equipment		-	-
Liabilities / provisions no longer required written back	1.64	-	38.94
Net exchange differences	119.99	174.90	21.01
<b>Total other income</b>	<b>148.04</b>	<b>181.62</b>	<b>70.52</b>

25. Cost of material consumed

Particulars	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	March 31, 2022
<b>(a) Raw materials consumed</b>			
Opening stock of raw materials	1,435.69	1,131.15	1,265.69
Add: Purchases	18,790.71	16,693.77	16,566.55
Less: Closing stock of raw materials	(2,039.66)	(1,435.69)	(1,146.60)
Cost of raw materials consumed	18,186.74	16,389.23	16,685.64
<b>(b) Packing materials consumed</b>			
Opening stock of packing materials	78.26	60.21	85.26
Add: Purchases	595.44	609.68	594.33
Less: Closing stock of packing materials	(108.22)	(78.26)	(98.70)
Cost of packing material consumed	565.48	591.63	580.89
<b>Total cost of materials consumed</b>	<b>18,752.22</b>	<b>16,980.86</b>	<b>17,266.53</b>

Purchases of stock-in-trade

Particulars	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Purchases of stock-in-trade	537.21	-	-
<b>Total purchases of stock-in-trade</b>	<b>537.21</b>	<b>-</b>	<b>-</b>

26. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	March 31, 2022
<b>(a) Work-in-progress</b>			
Opening stock	426.41	421.14	249.59
Less: Closing stock	(488.84)	(426.41)	(421.14)
	(62.43)	(5.27)	(171.55)
<b>(b) Finished goods</b>			
Opening stock	1,457.30	1,102.50	946.17
Less: Closing stock	(1,407.24)	(1,457.30)	(1,102.50)
	50.06	(354.80)	(156.33)
<b>Total [net decrease / (increase)]</b>	<b>(12.37)</b>	<b>(360.07)</b>	<b>(327.88)</b>

27. Employee benefits expense

Particulars	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Salaries and wages	1,419.67	1,147.64	848.11
Contribution to provident and other funds (refer note 36)	91.16	74.01	50.04
Staff welfare expenses	127.76	92.11	24.62
<b>Total employee benefit expense</b>	<b>1,638.59</b>	<b>1,313.76</b>	<b>922.77</b>

28. Finance Cost

Particulars	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Interest on bank overdraft and loans (other than those from related parties)	418.66	307.87	63.73
Interest on loans from related parties	307.02	375.70	381.29
Other borrowing costs	53.40	60.70	33.28
<b>Total finance cost</b>	<b>779.08</b>	<b>744.27</b>	<b>478.30</b>

29. Depreciation and amortisation expense

Particulars	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	Mar 31, 2022
Depreciation on property, plant and equipment	734.39	644.36	580.57
Amortisation of intangible assets	3.62	0.58	-
<b>Total depreciation and amortisation expense</b>	<b>738.01</b>	<b>644.94</b>	<b>580.57</b>

30. Other expenses

Particulars	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Consumption of stores and spare parts	108.09	179.05	192.85
Power and fuel	1,235.53	1,189.23	997.51
Effluent treatment charges	65.13	57.23	40.32
Sub-contract charges	439.87	489.24	485.98
Freight and forwarding expenses	560.58	652.58	464.36
Repairs and maintenance			
- Plant and machinery & Others	317.99	210.68	196.49
Rent	33.84	39.33	102.35
Insurance	112.57	110.40	97.40
Rates and taxes	17.34	50.42	11.46
Loss on assets sold, discarded or written off	2.62	67.05	-
Legal and professional fees	170.87	142.20	56.33
Service charges & Computer maintenance	11.23	1.84	516.09
Travelling and conveyance	23.61	39.83	19.42
Communication expenses	26.15	23.81	36.74
Printing and stationery	36.99	18.42	7.63
Director's sitting fees	16.80	22.40	20.00
Payments to Auditors (refer note (i) below)	20.06	20.01	25.29
Provision for doubtful trade receivables	-	0.59	-
Corporate social responsibility expense (refer note 42)	39.53	38.38	14.87
Miscellaneous Expenses	139.70	72.97	129.96
<b>Total other expenses</b>	<b>3,378.50</b>	<b>3,425.66</b>	<b>3,415.05</b>

Particulars	For the year ended	For the year ended	For the year ended
	31 March 2024	31 March 2023	March 31, 2022
<b>Notes (i)</b>			
Payment to auditors include: (net of input credit, where applicable)			
To statutory auditors			
- Statutory audit fees (including quarterly reviews)	20.00	20.00	25.00
- Reimbursement of expenses	0.06	0.01	0.29
<b>Total</b>	<b>20.06</b>	<b>20.01</b>	<b>25.29</b>

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>31. Tax expense</b>			
<b>(a) Amounts recognised in profit and loss</b>			
Current income tax	755.63	480.67	682.94
Deferred tax expense	34.04	69.36	487.14
<b>Tax expense for the year</b>	<b>789.67</b>	<b>550.03</b>	<b>1,170.08</b>
<b>(b) Reconciliation of effective tax rate</b>			
<b>Profit before tax</b>	2,674.34	1,908.20	3,917.60
Tax using the Company's domestic tax rate	778.77	555.67	1,140.81
Effect of expenses that are not deductible in determining taxable profits	13.05	11.67	2.16
Others	(2.15)	(17.31)	27.12
	<b>789.67</b>	<b>550.03</b>	<b>1,170.09</b>

**(c) Movement in deferred tax balances: March 31, 2024**

	Balance as on April 01, 2023	Recognised in profit or loss	Recognised in OCI	Utilised during the Year	Balance as on March 31, 2024
<b>Deferred tax liability on</b>					
Property, plant and equipment	921.50	39.79	-	-	961.29
<b>Deferred tax assets on</b>					
Employee Benefits	(36.76)	(15.40)	12.42	-	(64.58)
MAT credit	(248.90)	-	-	248.90	-
Others	(18.09)	9.65	-	-	(8.44)
<b>Tax (Assets)/Liabilities</b>	<b>617.75</b>	<b>34.04</b>	<b>12.42</b>	<b>248.90</b>	<b>888.27</b>

**Movement in deferred tax balances: March 31, 2023**

	Balance as on April 01, 2022	Recognised in profit or loss	Recognised in OCI	Utilised during the Year*	Balance as on March 31, 2023
<b>Deferred tax liability on</b>					
Property, plant and equipment	873.74	47.76	-	-	921.50
<b>Deferred tax assets on</b>					
Employee Benefits	(51.83)	9.48	(5.59)	-	(36.76)
MAT credit	(303.44)	-	-	54.54	(248.90)
Others	(30.21)	12.12	-	-	(18.09)
<b>Tax (Assets)/Liabilities</b>	<b>488.25</b>	<b>69.36</b>	<b>(5.59)</b>	<b>54.54</b>	<b>617.75</b>

\* Net of MAT credit for earlier year for Rs. 90.46 Lakhs

**Movement in deferred tax balances : March 31, 2022**

	Balance as on April 01, 2021	Recognised in profit or loss	Recognised in OCI	Utilised during the Year	Balance as on March 31, 2022
<b>Deferred tax liability on</b>					
Property, plant and equipment	796.92	76.82	-	-	873.74
<b>Deferred tax assets on</b>					
Employee Benefits	(47.17)	(6.76)	(2.10)	-	(51.83)
Unabsorbed depreciation and tax losses carried forward - restricted to the extent of deferred tax liability	(191.59)	191.59	-	-	-
MAT credit	(511.09)	-	-	207.65	(303.44)
Others	(48.04)	17.82	-	-	(30.21)
<b>Tax (Assets)/Liabilities</b>	<b>(0.98)</b>	<b>279.49</b>	<b>(2.10)</b>	<b>207.65</b>	<b>488.25</b>

**Note:**

- (i) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities.

**32. Contingent Liabilities and commitments:**

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Contingent Liabilities</b>			
<b>Claims against the Company not acknowledged as debt:</b>			
<b>(a) Sales Tax Matters</b>			
Demand notices issued by Sales Tax Department for which the Company has preferred appeal	446.81	508.76	508.76
<b>(b) Income Tax Matters</b>			
Demand notices issued by Income Tax Department for which the Company has preferred	20.75	-	-

**Notes:**

- Future ultimate outflow of resources embodying economic benefits in respect of matters stated above is uncertain as it depends on the final outcome of judgments / decisions/ outcomes of the matters involved.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required, and disclosed as contingent liabilities wherever applicable, in its financial statements. The Company does not expect the outcome of these matters to have a materially adverse effect on its financial statements.

**33. Capital Commitments**

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
The estimated amount in respect of the contracts remaining to be executed on capital account (net of capital advances).	762.64	496.65	77.27

34. Segment information

(a) General information

The Company is engaged in manufacture and sale of specialty chemicals.

The Chief Operating Decision Maker ("CODM") i. e. the Managing Director & CEO of the Company evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segment "specialty chemicals" which is the only operating segment. Revenue arising from sale of products does not exceed 10% from any individual customer.

(b) Geographical segment information

Geographical Segment	For the year ended	Revenues for the year ended	Segment assets as at
India	March 31, 2024	21,982.98	21,378.26
	March 31, 2023	(16,133.41)	(16,237.51)
	March 31, 2022	(17,775.41)	(15,907.98)
Others	March 31, 2024	6,502.60	1,536.09
	March 31, 2023	(8,524.21)	(1,484.44)
	March 31, 2022	(6,695.53)	(1,440.51)

Figures in brackets are for the previous years

35. Related Party Disclosures (Transaction are at arm's length transaction-to be disclosed as per para 23 under Ind AS 24)

Related Party Disclosures in accordance with the Indian Accounting Standard 24 - Related Party Disclosures" are given below:

(a) Parties where Control exists:

**Holding Company:**

Indus Petrochem Limited

(b) Names of the related parties with whom the Company had transactions during the year:

(i) Holding Company:

Indus Petrochem Limited

(ii) Key Management Personnel:

Mr. Jeet Malhotra

Dr. Maya Parihar Malhotra

Dr Anand Parihar

Mr. R. L. Shenoy

Mr. Ajit Shah

Mrs. Aruna Soman

Mr. Cyrus Poonevala

Mr. Ashish Agarwal

Mr. Amit Kumashi

Managing Director & CEO

Director

Director

Independent Director

Independent Director

Independent Director

Independent Director

Chief Financial Officer

Company Secretary

(c) Transactions with the Related Parties:

**Holding Company**

(i) Sale of goods

Indus Petrochem Limited

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	358.74	66.25	-
	<b>358.74</b>	<b>66.25</b>	<b>-</b>

(ii) Receipt of services

(a) Rent paid

Indus Petrochem Limited

	9.31	8.62	2.80
	<b>9.31</b>	<b>8.62</b>	<b>2.80</b>

(b) Corporate guarantee fees paid

Indus Petrochem Limited

	32.57	10.77	-
	<b>32.57</b>	<b>10.77</b>	<b>-</b>

(iii) Reimbursement of expenses paid

Indus Petrochem Limited

	-	27.02	-
	<b>-</b>	<b>27.02</b>	<b>-</b>

(iv) Inter corporate loan repaid

Indus Petrochem Limited

	-	3,354.05	-
	<b>-</b>	<b>3,354.05</b>	<b>-</b>

(v) Dividend paid

Indus Petrochem Limited

	146.73	91.71	-
	<b>146.73</b>	<b>91.71</b>	<b>-</b>

(vi) Interest expense on inter-corporate loan taken:

Indus Petrochem Limited

	307.02	375.70	189.00
	<b>307.02</b>	<b>375.70</b>	<b>189.00</b>

(d) Key management personnel compensation

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Short-term employee benefits *			
Mr. Jeet Malhotra	27.94	20.16	4.89
Mr. Virendrasingh Baidwal upto Dec 23, 2022	-	17.81	5.93
Mr. Ashish Agarwal	57.18	30.01	-
Mr. Amit Kumashi	27.25	21.19	45.50
	<b>112.37</b>	<b>89.17</b>	<b>56.32</b>

\*With respect to post-employment benefits, as these liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included

(ii) Directors Sitting Fees

Mr. R. L. Shenoy	3.60	4.80	5.60
Mr. Ajit Shah	4.00	5.20	6.40
Mrs. Aruna Soman	4.00	5.20	6.00
Dr. Maya Parihar Malhotra	2.00	2.00	0.80
Dr. Anand Parihar	1.60	1.60	0.80
Mr. Cyrus Poonevala	1.60	3.60	0.40
	<b>16.80</b>	<b>22.40</b>	<b>20.00</b>

(e) Balances outstanding as at year end:

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(i) Loan Outstanding:			
Indus Petrochem Limited	3,500.00	3,500.00	6,854.05
	<b>3,500.00</b>	<b>3,500.00</b>	<b>6,854.05</b>
(ii) Trade Payable:			
Indus Petrochem Limited	109.80	-	-
	<b>109.80</b>	<b>-</b>	<b>-</b>
(iii) Corporate guarantee provided by:			
Indus Petrochem Limited (loan outstanding against this guarantees aggregate to Rs. 5,047.33 (March 31, 2023 Rs. 4,212.13))	6,500.00	6,500.00	-
	<b>6,500.00</b>	<b>6,500.00</b>	<b>-</b>

(f) No amounts have been written off / provided for or written back in respect of amounts receivable from or payable to the related parties.

36. Details of Employee Benefits as required by the Indian Accounting Standard (Ind AS) 19 "Employee Benefits" are as follows:

1 Defined contribution plan:

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the current year, the Company recognised Rs. 74.11 Lakhs (year ended March 31, 2023 Rs. 59.32 lakhs and year ended March 31, 2022 Rs. 36.26 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

2 Defined Benefit Plan (funded)

(a) A general description of the Employees Benefit Plan:

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees.

The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment. Gratuity is calculated in accordance with the provisions of the Payment of Gratuity Act, 1972. Vesting occurs upon the completion of five years of service or on death.

(b) The Plan exposes the Company to the following risks:

Investment risk	The return on investments will impact the position of the defined benefit plan liability. If the return falls, net defined benefit obligation will increase the value of the liability.
Interest risk	The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will increase the value of the liability.
Longevity risk	The company has used certain mortality and attrition assumptions in the valuation of the liability. The company is exposed to the risk of actual experience turning out to be worse compared to the assumptions considered.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Sunshield Chemicals Limited**  
**Restated Notes forming part of the financial statements for the year**  
**(Currency: Indian Rupees in Lakhs)**

(c) Details of defined benefit plan - as per Actuarial Valuation:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Gratuity:</b>			
<b>1 Change in present value obligation:</b>			
Present value of defined benefit obligation at the beginning of the year	153.01	150.82	144.32
Current Service Cost	17.00	14.56	11.28
Interest Cost	10.44	9.83	8.80
Actuarial (gains)/losses			
Actuarial (gains)/losses arising from changes in demographic assumption	-	-	-
Actuarial (gains)/losses arising from changes in financial assumption	3.95	(6.00)	(6.06)
Actuarial (gains)/losses arising from changes in experience adjustment	38.27	(13.14)	(1.62)
Past Service Cost	-	-	-
Benefits Paid	(11.12)	(3.07)	(5.90)
Liabilities assumed/(settled)	-	-	-
Present value of defined benefit obligation at the end of the year	<u>211.55</u>	<u>153.01</u>	<u>150.82</u>
<b>2 Changes in Fair value of Plan Assets</b>			
Fair value of plan assets at the beginning of the year	143.72	134.28	131.68
Expected Return on Plan Assets	10.49	9.38	8.63
Actuarial (gains)/losses	(0.42)	0.06	(0.13)
Employer's Contributions	-	3.07	-
Benefits Paid	(11.12)	(3.07)	(5.90)
Fair value of plan assets at the end of the year	<u>142.67</u>	<u>143.72</u>	<u>134.28</u>
<b>3 Net Benefit (Asset)/Liability</b>			
Present value of funded defined benefit obligation	211.55	153.01	150.82
Fair value of plan assets	142.67	143.72	134.28
Net Benefit (Asset)/Liability	<u>68.87</u>	<u>9.29</u>	<u>16.53</u>
<b>4 Expenses recognised in the Statement of Profit and Loss</b>			
Current Service Cost	17.00	14.56	11.28
Past Service Cost	-	-	-
Interest cost on benefit obligation (net)	(0.05)	0.45	0.17
Total Expenses recognised in the Statement of Profit and Loss	<u>16.95</u>	<u>15.02</u>	<u>11.45</u>
<b>5 Remeasurement Effects Recognised in Other Comprehensive Income</b>			
Actuarial (gains)/losses arising from changes in demographic assumption	-	-	-
Actuarial (gains)/losses arising from changes in financial assumption	3.95	(6.00)	(6.06)
Actuarial (gains)/losses arising from changes in experience adjustment	38.27	(13.14)	(1.62)
Return on plan asset	0.42	(0.06)	0.13
Recognised in Other Comprehensive Income	<u>42.64</u>	<u>(19.20)</u>	<u>(7.55)</u>
<b>6 Actuarial Assumptions</b>			
Discount Rate	7.20%	7.45%	6.95%
Salary Escalation Rate	7%	7%	7%
Retirement age	60	60	60
Attrition:			
21 - 44 years	12%	12%	12%
45 years & above	2%	2%	2%
Mortality tables	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table
7 Estimated amounts of contribution in the immediate next year	20.00	20.00	20.00

8 The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

9 The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotions and other relevant factors.

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
10 The major categories of plan assets as a percentage of the total plan assets			
Insurer managed funds	100%	100%	100%

11 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount	%	Amount	%	Amount	%
<b>(i) Discount rate (25 basis points)</b>						
Increase	(3.95)	(1.87%)	(2.86)	(1.87%)	(2.89)	(1.91%)
Decrease	4.08	1.93%	2.95	1.93%	2.98	1.98%
<b>(ii) Future salary escalation rate (25 basis points)</b>						
Increase	3.71	1.75%	2.96	1.93%	2.97	1.97%
Decrease	(3.67)	(1.74%)	(2.88)	(1.88%)	(2.89)	(1.92%)

The Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

12 Defined benefit obligation - Average duration

The weighted average duration of the defined benefit obligation is 7.60 years (March 31, 2023: 7.59 years). The expected maturity analysis of undiscounted gratuity benefits is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>March 31, 2024</b>					
Defined benefit obligations- Gratuity	34.51	9.21	51.14	314.98	409.84
<b>March 31, 2023</b>					
Defined benefit obligations- Gratuity	25.72	13.44	35.95	230.23	305.34
<b>March 31, 2022</b>					
Defined benefit obligations- Gratuity	18.69	15.21	36.16	219.07	289.13

13 Other long term employee benefits

Compensated absences are payable to employees. The charge towards compensated absences for the year ended March 31, 2023 is Rs.34.91 lakhs (March 31, 2023: Rs. 34.79 lakhs and March 31, 2022: Rs. 5.17 lakhs).

37. Earnings Per Equity Share

		For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Weighted average number of equity shares outstanding as at the Balance Sheet date	Nos.	73,53,060	73,53,060	73,53,060
(b) Nominal value of share	Rs.	10	10	10
(c) Net Profit attributable to equity shareholders (before exceptional items)	Rs. in Lakhs	1,884.67	1,366.11	965.52
(d) Net Profit attributable to equity shareholders (after exceptional items)	Rs. in Lakhs	1,884.67	1,366.11	2,747.52
(e) Earnings per share (basic and diluted) (before exceptional items)	Rs.	25.63	18.58	13.13
(f) Earnings per share (basic and diluted) (after exceptional items)	Rs.	25.63	18.58	37.37

Sunshield Chemicals Limited  
Restated Notes forming part of financial statements for the year

Note 38

Ratio	Numerator	Denominator	March 2024	March 2023	Variance %	Reason
Current Ratio	Current Assets	Current Liabilities	0.88	1.47	(40.40%)	Mainly due to increase in Current maturities of long-term borrowings
Debt Equity Ratio	Total Borrowings	Shareholder Equity	1.04	1.17	(11.00%)	NA
Debt service Coverage Ratio	Earning Available for debt service	Finance Costs	2.59	2.92	(11.51%)	NA
Return on Equity Ratio	Net Profit after Tax	Average Shareholder Equity	25.44%	22.83%	11.41%	NA
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	7.12	7.44	(4.40%)	NA
Trade Receivable Turnover Ratio	Revenue from Operations	Average Receivable	6.44	6.01	7.17%	NA
Trade Payable Turnover ratio	Purchases	Average Trade Payable	6.19	6.08	1.80%	NA
Net Capital Turnover Ratio	Revenue from Operations	Working capital	(19.40)	8.20	(336.64%)	Mainly due to increase in Current maturities of long-term borrowings thereby reduction of working capital
Net Profit Ratio	Net Profit after Tax	Revenue from Operations	6.65%	5.58%	19.16%	NA
Return on capital employed Ratio	Earning Before Interest and Tax	Capital employed	19.56%	17.77%	10.10%	NA
Return on Investment	Income Generated from Investments	Time weighted average investment	NA	NA		

Ratio	Numerator	Denominator	March 2023	March 2022	Variance %	Reason
Current Ratio	Current Assets	Current Liabilities	1.47	1.14	29.40%	Mainly due to repayment of short term borrowings and reduction in trade payables. It improves liquidity of business.
Debt Equity Ratio	Total Borrowings	Shareholder Equity	1.17	1.46	(20.15%)	Net worth improved
Debt service Coverage Ratio	Earning Available for debt service	Finance Costs	2.92	7.88	(62.87%)	Increase in long term loan
Return on Equity Ratio	Net Profit after Tax	Average Shareholder Equity	22.83%	68.85%	(66.84%)	Exceptional income in previous year
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	7.44	8.79	(15.37%)	NA
Trade Receivable Turnover Ratio	Revenue from Operations	Average Receivable	6.01	6.97	(13.77%)	NA
Trade Payable Turnover ratio	Purchases	Average Trade Payable	6.08	6.39	(4.73%)	NA
Net Capital Turnover Ratio	Revenue from Operations	Working capital	8.20	22.19	(63.05%)	Revenue growth along with efficiency in working capital Management
Net Profit Ratio	Net Profit after Tax	Revenue from Operations	5.58%	11.26%	(50.43%)	Exceptional income in previous year
Return on capital employed Ratio	Earning Before Interest and Tax	Capital employed	17.77%	32.06%	(44.59%)	Exceptional income in previous year
Return on Investment	Income Generated from Investments	Time weighted average investment	NA	NA		

Ratio	Numerator	Denominator	March-22	March-21	Variance %	Reason
Current Ratio	Current Assets	Current Liabilities	1.14	1.08	5.16%	NA
Debt Equity Ratio	Total Borrowings	Shareholder Equity	1.46	3.36	(56.41%)	Earnings Improved
Debt service Coverage Ratio	Earning Available for debt service	Finance Costs	7.87	3.83	105.27%	Earnings Improved
Return on Equity Ratio	Net Profit after Tax	Average Shareholder Equity	68.80%	74.72%	(7.93%)	NA
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	8.79	7.25	21.33%	NA
Trade Receivable Turnover Ratio	Revenue from Operations	Average Receivable	6.97	6.98	(0.15%)	NA
Trade Payable Turnover ratio	Purchases	Average Trade Payable	6.39	5.75	11.13%	NA
Net Capital Turnover Ratio	Revenue from Operations	Working capital	22.33	39.43	(43.37%)	Revenue growth along with efficiency in working capital Management
Net Profit Ratio	Net Profit after Tax	Revenue from Operations	11.25%	7.14%	57.54%	Improvement in Profitability
Return on capital employed Ratio	Earning Before Interest and Tax	Capital employed	32.07%	21.06%	52.29%	Improvement in Profitability
Return on Investment	Income Generated from Investments	Time Weighted Average Investment	NA	NA		



39. Financial instruments

(A) Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company is not subject to any externally imposed capital requirements.

(B) Categories of financial instruments

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
<b>Financial assets</b>			
Measured at amortised cost :			
(a) Trade receivables	4,788.68	4,011.36	4,134.43
(b) Cash and cash equivalents	-	6.52	446.56
(c) Bank balance other than cash and cash equivalents	60.43	172.17	137.50
(d) Loans to employees	1.75	3.18	6.88
(e) Security and other deposits	0.62	0.62	33.43
(f) Others	2.01	0.38	2.46
<b>Financial liabilities</b>			
Measured at amortised cost			
(a) Borrowings	8,577.09	7,744.77	7,854.05
(b) Trade payables	4,063.15	2,371.73	3,317.47
(c) Employee Benefit payable	76.02	13.20	86.17
(d) Payables towards Capital Expenditure	696.24	168.29	38.63
(e) Others	3.58	1.82	-

(C) Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

**Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

The Company is of the belief that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

**Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2024**

	Amortised cost	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
(a) Trade receivables	4,788.68	-	-	-	4,788.68
(b) Cash and cash equivalents	-	-	-	-	-
(c) Bank balance other than cash and cash equivalents	60.43	-	-	-	60.43
(d) Loans to employees	1.75	-	-	-	1.75
(e) Security and other deposits	0.62	-	-	-	0.62
(f) Others	2.01	-	-	-	2.01
<b>Total financial assets</b>	<b>4,853.49</b>	-	-	-	<b>4,853.49</b>
<b>Financial liabilities</b>					
(a) Borrowings	8,577.09	-	-	-	8,577.09
(b) Trade payables	4,063.15	-	-	-	4,063.15
(c) Employee Benefit payable	76.02	-	-	-	76.02
(d) Payables towards Capital Expenditure	696.24	-	-	-	696.24
(e) Others	3.58	-	-	-	3.58
<b>Total financial liabilities</b>	<b>13,416.08</b>	-	-	-	<b>13,416.08</b>

**Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2023**

	Amortised cost	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
(a) Trade receivables	4,011.36	-	-	-	4,011.36
(b) Cash and cash equivalents	6.52	-	-	-	6.52
(c) Bank balance other than cash and cash equivalents	172.17	-	-	-	172.17
(d) Loans to employees	3.18	-	-	-	3.18
(e) Security and other deposits	0.62	-	-	-	0.62
(f) Others	0.38	-	-	-	0.38
<b>Total financial assets</b>	<b>4,194.23</b>				<b>4,194.23</b>
<b>Financial liabilities</b>					
(a) Borrowings	7,744.77	-	-	-	7,744.77
(b) Trade payables	2,371.73	-	-	-	2,371.73
(c) Employee Benefit payable	13.20	-	-	-	13.20
(d) Payables towards Capital Expenditure	168.29	-	-	-	168.29
(e) Others	1.82	-	-	-	1.82
<b>Total financial liabilities</b>	<b>10,299.81</b>				<b>10,299.81</b>

**Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2022**

	Amortised cost	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
(a) Trade receivables	4,134.43	-	-	-	4,134.43
(b) Cash and cash equivalents	446.56	-	-	-	446.56
(c) Bank balance other than cash and cash equivalents	137.50	-	-	-	137.50
(d) Loans to employees	6.88	-	-	-	6.88
(e) Security and other deposits	33.43	-	-	-	33.43
(f) Others	2.46	-	-	-	2.46
<b>Total financial assets</b>	<b>4,761.26</b>				<b>4,761.26</b>
<b>Financial liabilities</b>					
(a) Borrowings	7,854.05	-	-	-	7,854.05
(b) Trade payables	3,317.47	-	-	-	3,317.47
(c) Employee Benefit payable	86.17	-	-	-	86.17
(d) Payables towards Capital Expenditure	38.63	-	-	-	38.63
(e) Others	-	-	-	-	-
<b>Total financial liabilities</b>	<b>11,296.32</b>				<b>11,296.32</b>

**(D) Financial risk management objectives**

The Company's principal financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables and cash that are derived directly from its operations.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**i. Risk management framework**

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk

**ii. Credit risk management**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and other financial instruments.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Company has further considered internal and external sources of information, specifically having regard to the current macro economic conditions and the global health pandemic to assess the impact on credit losses. Basis the information available as at the date of approval of these financial statements, the Company expects the historical trend of minimal credit losses to continue.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Neither past due nor impaired	4,423.66	3,676.81	3,389.06
<b>Past due but not impaired</b>			
Past due 1–90 days	364.55	313.37	747.94
Past due 91–180 days	0.53	4.66	1.62
Past due more than 180 days	3.08	21.30	-
	<b>4,791.82</b>	<b>4,016.14</b>	<b>4,138.62</b>

**Expected credit loss assessment for customers as at March 31, 2024 and March 31, 2023 and March 31, 2022**

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Balance as at April 01, 2021	13.02
Impairment loss recognised	-
Amounts written back	(8.83)
<b>Balance as at March 31, 2022</b>	<b>4.19</b>
Impairment loss recognised	0.59
Amounts written back	-
<b>Balance as at March 31, 2023</b>	<b>4.78</b>
Impairment loss recognised	-
Amounts written back	(1.64)
<b>Balance as at March 31, 2024</b>	<b>3.14</b>

**Cash and cash equivalents**

The Company held cash and cash equivalents with credit worthy banks and financial institutions of Rs. nil (March 31, 2023 Rs. 6.52 lakhs and March 31, 2022 Rs. 446.56 lakhs)

Other than trade and other receivables, the Company has no other financial assets that are past due.

**Sunshield Chemicals Limited**  
**Restated Notes forming part of financial statements for the year**  
**(Currency: Indian Rupees in Lakhs)**

**(E) Liquidity risk management**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has access to funds from group companies in the form of long/short term borrowings. The Company also has working capital facilities from banks.

**Exposure to liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

		<b>Contractual cash flows</b>					
<b>As at March 31, 2024</b>	<b>Carrying amount</b>	<b>Total</b>	<b>1 year or less</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>	
Borrowings (includes interest accrued)	8,577.09	8,577.09	6,967.18	1,028.62	581.29	-	
Trade and other payables	4,063.15	4,063.15	4,063.15	-	-	-	
Other financial liabilities	775.84	775.84	775.84	-	-	-	
		<b>Contractual cash flows</b>					
<b>As at March 31, 2023</b>	<b>Carrying amount</b>	<b>Total</b>	<b>1 year or less</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>	
Borrowings (includes interest accrued)	7,744.77	7,744.77	3,639.72	3,766.89	338.16	-	
Trade and other payables	2,371.73	2,371.73	2,371.73	-	-	-	
Other financial liabilities	183.31	183.31	183.31	-	-	-	
		<b>Contractual cash flows</b>					
<b>As at 31 March 2022</b>	<b>Carrying amount</b>	<b>Total</b>	<b>1 year or less</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>	
Borrowings (includes interest accrued)	7,854.05	7,854.05	4,354.05	-	3,500.00	-	
Trade and other payables	3,317.47	3,317.47	3,317.47	-	-	-	
Other financial liabilities	124.80	124.80	124.80	-	-	-	

**Financing facilities**

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Secured bank overdraft facility and working capital term loan reviewed annually and payable at call:			
- amount used	5,047.33	4,212.13	-
- amount unused	1,452.67	2,287.87	-
	<b>6,500.00</b>	<b>6,500.00</b>	-

**Sunshield Chemicals Limited**  
**Restated Notes forming part of financial statements for the year**  
**(Currency: Indian Rupees in Lakhs)**

**(F) Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities.

**Currency risk**

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar (USD) and Euro (EUR), against the functional currencies of the Company.

**Exposure to currency risk**

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

Particulars	March 31, 2024		March 31, 2023		March 31, 2022	
	FC	INR	FC	INR	FC	INR
<b>Trade receivables</b>						
EUR	2,52,165	224.12	2,68,155	240.29	5,81,667	489.33
USD	15,82,970	1,311.97	15,13,195	1,244.15	18,24,202	1,382.29
<b>Trade payables</b>						
EUR	-	-	18,291	16.39	2,88,522	242.72
USD	14,38,853	1,208.20	9,63,388	792.10	13,34,996	1,011.59
<b>Net statement of financial position exposure</b>						
EUR	(2,52,165)	(224.12)	(2,49,864)	(223.90)	(2,93,145)	(246.61)
USD	(1,44,118)	(103.76)	(5,49,807)	(452.05)	(4,89,206)	(370.70)
<b>Net exposure</b>						
EUR	(2,52,165)	(224.12)	(2,49,864)	(223.90)	(2,93,145)	(246.61)
USD	(1,44,118)	(103.76)	(5,49,807)	(452.05)	(4,89,206)	(370.70)

**Sensitivity analysis**

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2024</b>				
EUR	22.41	(22.41)	22.41	(22.41)
USD	10.38	(10.38)	10.38	(10.38)
<b>March 31, 2023</b>				
EUR	22.39	(22.39)	22.39	(22.39)
USD	45.21	(45.21)	45.21	(45.21)
<b>March 31, 2022</b>				
EUR	24.66	(24.66)	24.66	(24.66)
USD	37.07	(37.07)	37.07	(37.07)

(Note: The impact is indicated on the profit / loss and equity before tax basis)

**Sunshield Chemicals Limited**

**Restated Notes forming part of financial statements for the year**

**(Currency: Indian Rupees in Lakhs)**

**(G) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to variable rate borrowings from related party.

Particulars	Nominal amount		
	March 31, 2024	March 31, 2023	March 31, 2022
<b>Borrowings</b>			
Fixed rate borrowings	8,577.09	7,744.77	7,854.05
	<b>8,577.09</b>	<b>7,744.77</b>	<b>7,854.05</b>

**Interest rate sensitivity - fixed rate instruments**

The Company's fixed rate borrowings are carried at amortised cost. They therefore may not be materially subject to interest rate risk as defined in IND AS 107.

40. As required under Rule 3(1) of the Companies (Accounts) Rules, 2014, the Company is required to use such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has to be operated throughout the year for all transactions recorded in the software and the audit trail feature has not to be tampered.

However, the Company has used accounting software which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software at the application level, except that no audit trail was enabled at the database level for accounting software SAP to log any direct data changes as the same is maintained at HANA Database which cannot be changed.

**41. Exceptional item:**

For the year ended		
March 31, 2024	March 31, 2023	March 31, 2022
-	-	1,782.00

During the quarter ended June 2021, on account of product rationalisation activities of the Company, certain products manufactured by it and its related Technology, Specifications, Brand Names and Customer Contracts ("Specified Assets") were transferred to Solvay Specialities India Private Limited for a consideration of Rs. 1,782 Lakhs. These specified assets were internally generated over a period of time and hence, as per Ind AS, there was no cost attributable to these specified assets. The entire consideration also being the gain on such transfer was shown as an exceptional item. Further the tax liability of Rs. 488 Lakhs on this gain was considered under 'Tax expenses' under the sub heading current tax.

**42. Additional Regulatory Information**

1) No funds 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 persons or entities, including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2) The Company has transactions and balances with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 which are disclosed as follows:

Name of struck off Company	Nature of Transaction with Struck off company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Lloyds equities and debentures Limited	Share holder	300 Shares held in physical mode	Shareholder of the company

3) The Company did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.

4) The Company did not have any transaction which had not been recorded in the books of account that had 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).

5) The Company do not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

6) Monthly & Quarterly return (refer note 17) filed by the Company for borrowings from banks or financial institutions.

**Sunshield Chemicals Limited**

**Restated Notes forming part of financial statements for the year**

**(Currency: Indian Rupees in Lakhs)**

7) The Company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

8) The Company has not revalued any of its Property, Plant and Equipment during the year.

9) Title deeds of Immovable Property (free hold land) are held in name of the Company.

10) The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

11) Corporate Social Responsibility Expenditure

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
a) Amount required to be spent by the company during the year	38.78	40.56	12.67
b) Surplus spent for previous financial year to be set off for the current financial year	-	(2.20)	-
c) Amount required to be spent in current year	38.78	38.36	12.67
d) Amount of expenditure Incurred	39.53	38.38	14.87
e) Shortfall at the end of the year	-	-	-
f) Total of Previous years shortfall	-	-	-
g) Reason for Shortfall	NA	NA	NA
h) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.			
i) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.			
<b>Nature of CSR Activities:-</b>			
i) School Renovation Project executed at village Ambole	-	-	9.00
ii) infrastructure support to Crematorium at village Rasal	-	-	4.97
iii) Promoting education -Organizing education fair	2.50	2.50	-
iv) Promoting education -Promotion of Road Safety	-	0.43	-
v) Promotion of rural sports, nationally recognised sports, paralympic sports and olympic sports	4.39	1.50	-
vi) Environment sustainability - Planation of native plants with safety system & maintenance and construction of wall fencing	23.47	0.66	0.90
vii) Rural development and Environment Sustainability - Development & beautification of Pond at village Rasal	-	33.29	-
viii) Promotion of Education – Welfare activities of children with intellectual disabilities	0.25	-	-
ix) Infrastructure support in village school	8.92	-	-
<b>Total</b>	<b>39.53</b>	<b>38.38</b>	<b>14.87</b>

For and on behalf of the Board of Directors  
**Sunshield Chemicals Limited**

**Jeet Malhotra**  
Managing Director & CEO  
DIN: 07208234

**Dr. Maya Parihar Malhotra**  
Director  
DIN: 00302976

**Ashish Agarwal**  
Chief Financial Officer

**Amit Kumashi**  
Company Secretary

Place: Mumbai

Date: August 24, 2024

**SUNSHIELD CHEMICALS LIMITED**

Regd. Office: 1501-A, Universal Majestic, P.L. Lokhande Marg, behind RBK International School, Chembur-West, Mumbai-400 043

Corporate Identity Number : L99999MH1986PLC041612

Phone No.25550126

E Mail : investorservices@sunshieldchemicals.com Website: www.sunshieldchemicals.com

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024**

Rs. In Lakhs (except earnings per share)

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2024 Unaudited	Mar 31, 2024 Unaudited	June 30, 2023 Unaudited	Mar 31, 2024 Audited
1	Revenue from operations	7,796	8,553	6,668	28,338
2	Other income	30	35	48	148
3	<b>Total Income (1+2)</b>	<b>7,826</b>	<b>8,588</b>	<b>6,716</b>	<b>28,486</b>
4	<b>Expenses</b>				
	(a) Cost of materials consumed	5,340	5,809	4,499	18,752
	(b) Purchase of stock-in-trade	327	537	-	537
	(c) Changes in inventories of finished goods and work-in-progress	(49)	(465)	87	(12)
	(d) Employee benefits expense	468	469	465	1,639
	(e) Finance costs	204	210	191	779
	(f) Depreciation	217	184	183	738
	(g) Other expenses	940	987	750	3,379
	<b>Total expenses</b>	<b>7,447</b>	<b>7,731</b>	<b>6,175</b>	<b>25,812</b>
5	<b>Profit before tax (3-4)</b>	<b>379</b>	<b>857</b>	<b>541</b>	<b>2,674</b>
6	<b>Tax expense:</b>				
	Current tax	80	265	144	756
	Deferred tax	(102)	(7)	13	34
	<b>Total tax expense</b>	<b>(22)</b>	<b>258</b>	<b>157</b>	<b>790</b>
7	<b>Profit for the period/ year (5-6)</b>	<b>401</b>	<b>599</b>	<b>384</b>	<b>1,884</b>
8	<b>Other Comprehensive Income</b>				
	Items that will not be reclassified to profit or loss				
	Remeasurements of post-employment benefit obligation	(11)	(57)	5	(43)
	Income tax related to items that will not be reclassified to profit or loss	3	16	(1)	12
9	<b>Total Comprehensive Income for the period/year (7+8)</b>	<b>393</b>	<b>558</b>	<b>388</b>	<b>1,853</b>
10	Paid up equity share capital (face value of Rs.10/- each)	735	735	735	735
11	Other Equity				7,484
12	Earnings per equity share (of Rs. 10/- each) (not annualised in quarters)				
	Basic and diluted	5.45	8.15	5.22	25.62

**Notes :**

- The aforesaid financial results of Sunshield Chemical Limited (the "Company") were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on August 09, 2024. The Statutory Auditors have carried out a Limited Review and expressed an unmodified opinion on the aforesaid results.
- The aforesaid financial results of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
- The Company's management, pursuant to Ind AS 108 - Operating Segments, has concluded that the Company has only one reportable segment which is Speciality Chemicals. Accordingly, no separate disclosures of segment information have been made.
- The figures for the quarter ended March 31, 2024 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto the third quarter of the respective financial years.

For and on behalf of the Board of Directors  
**SUNSHIELD CHEMICALS LIMITED**

Place: Mumbai  
Date: August 09, 2024

Jeet Malhotra  
**Managing Director & CEO**  
DIN: 07208234



**Independent Auditor's Review Report on Unaudited Financial Results of Sunshield Chemicals Limited for the Quarter Ended June 30, 2024, pursuant to Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.**

**To the Board of Directors of  
Sunshield Chemicals Limited**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **Sunshield Chemicals Limited** (“the Company”) for the quarter ended June 30, 2024 (“the Statement”) attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”).
2. This Statement, which is the responsibility of the Company’s Management and approved by the Board of Directors at their meeting held on August 9, 2024, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 (“Ind AS 34”) “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the accompanying Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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501-502, Narain Chambers, M.G. Road, Vile Parle (E), Mumbai 400 057. Tel: +91 22 6250 7600  
Website: [www.cnkindia.com](http://www.cnkindia.com)

4. Based on our review conducted, as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with applicable Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013 (as amended) read with relevant rules issued thereunder and other recognized accounting practices generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which, it is to be disclosed, or that it contains any material misstatement.

For **CNK & Associates LLP**  
Chartered Accountants  
Firm Registration No. 101961W/W-100036

Diwakar Sapre  
Partner  
Membership No. 040740  
UDIN: 24040740BKEYIQ9078



Place: Mumbai  
Date: 9<sup>th</sup> August 2024

**SUNSHIELD CHEMICALS LIMITED**

Regd. Office: 1501-A, Universal Majestic, P.L. Lokhande Marg, behind RBK International School, Chembur-West, Mumbai-400 043

Corporate Identity Number : L99999MH1986PLC041612

Phone No.25550126

E Mail : investorservices@sunshieldchemicals.com Website: www.sunshieldchemicals.com

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024**

Rs. In Lakhs (except earnings per share)

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2024 Unaudited	Mar 31, 2024 Unaudited	June 30, 2023 Unaudited	Mar 31, 2024 Audited
1	Revenue from operations	7,796	8,553	6,668	28,338
2	Other income	30	35	48	148
3	<b>Total Income (1+2)</b>	<b>7,826</b>	<b>8,588</b>	<b>6,716</b>	<b>28,486</b>
4	<b>Expenses</b>				
	(a) Cost of materials consumed	5,340	5,809	4,499	18,752
	(b) Purchase of stock-in-trade	327	537	-	537
	(c) Changes in inventories of finished goods and work-in-progress	(49)	(465)	87	(12)
	(d) Employee benefits expense	468	469	465	1,639
	(e) Finance costs	204	210	191	779
	(f) Depreciation	217	184	183	738
	(g) Other expenses	940	987	750	3,379
	<b>Total expenses</b>	<b>7,447</b>	<b>7,731</b>	<b>6,175</b>	<b>25,812</b>
5	<b>Profit before tax (3-4)</b>	<b>379</b>	<b>857</b>	<b>541</b>	<b>2,674</b>
6	<b>Tax expense:</b>				
	Current tax	80	265	144	756
	Deferred tax	(102)	(7)	13	34
	<b>Total tax expense</b>	<b>(22)</b>	<b>258</b>	<b>157</b>	<b>790</b>
7	<b>Profit for the period/ year (5-6)</b>	<b>401</b>	<b>599</b>	<b>384</b>	<b>1,884</b>
8	<b>Other Comprehensive Income</b>				
	Items that will not be reclassified to profit or loss				
	Remeasurements of post-employment benefit obligation	(11)	(57)	5	(43)
	Income tax related to items that will not be reclassified to profit or loss	3	16	(1)	12
9	<b>Total Comprehensive Income for the period/year (7+8)</b>	<b>393</b>	<b>558</b>	<b>388</b>	<b>1,853</b>
10	Paid up equity share capital (face value of Rs.10/- each)	735	735	735	735
11	Other Equity				7,484
12	Earnings per equity share (of Rs. 10/- each) (not annualised in quarters)				
	Basic and diluted	5.45	8.15	5.22	25.62

**Notes :**

- The aforesaid financial results of Sunshield Chemical Limited (the "Company") were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on August 09, 2024. The Statutory Auditors have carried out a Limited Review and expressed an unmodified opinion on the aforesaid results.
- The aforesaid financial results of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
- The Company's management, pursuant to Ind AS 108 - Operating Segments, has concluded that the Company has only one reportable segment which is Speciality Chemicals. Accordingly, no separate disclosures of segment information have been made.
- The figures for the quarter ended March 31, 2024 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto the third quarter of the respective financial years.

For and on behalf of the Board of Directors  
**SUNSHIELD CHEMICALS LIMITED**

Place: Mumbai  
Date: August 09, 2024

Jeet Malhotra  
**Managing Director & CEO**  
DIN: 07208234

## CAPITALISATION STATEMENT

The following table sets forth the capitalisation statement of our Company as of March 31, 2024, on the basis of the Restated Audited Financial Statements and as adjusted for the Issue.

(₹ in Lakhs)

Particulars	Pre - Issue as on March 31, 2024	As Adjusted for the Issue
<b>Total Borrowings</b>		
Non-current borrowings (A) *	1609.91	[●]
Current borrowings (B)	6937.42	[●]
<b>Total Borrowings C= (A+B)</b>	<b>8547.33</b>	[●]
<b>Total Equity</b>		
Equity Share Capital (D)	735.31	[●]
Other Equity (E)	7483.71	[●]
<b>Total Equity F= (D+E)</b>	<b>8219.02</b>	[●]
<b>Non-Current Borrowings / Total Equity (A/F)</b>	<b>0.19</b>	[●]
<b>Total Borrowings / Total Equity (C/F)</b>	<b>1.04</b>	[●]

Note:

\* These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with Our Restated Audited Financial Statements for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 included in this Draft Letter of Offer, prepared in accordance with the Companies Act and Indian Accounting Standard (Ind AS) and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the Chapter titled- "**Restated Financial Information**" beginning on page 98 of this Draft Letter of Offer. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements of our Company.*

*Our Company's Financial Year commences on April 01 and ends on March 31 of the following year, so all references to a particular Financial Year or Fiscal are to the twelve months ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Sunshield Chemicals Limited, our Company.*

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "**Forward-Looking Statements**" on page 17 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also, see "**Risk Factors**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting our Results of Operations**" on pages 22 and 145, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

### Overview

Our company was incorporated as "Sunshield Chemicals Private Limited" on November 19, 1986, as a private limited company under the companies Act, 1956, and was granted the certificate of incorporation by the RoC, Mumbai. Consequent upon the conversion of the company into public limited company our name was changed to "Sunshield Chemicals Limited" on May 28, 1992. We got listed on *the* BSE in 1995. The majority stake in our company was acquired by Indus Petrochem Limited in 2021.

We are engaged in the manufacturing of, specialty chemicals, which comprise of low volume high value chemicals with specific applications, which constitute a part of the Indian chemical industry and are targeted towards specific end-use applications. They are produced by a complex, interlinked industry and comprise of products that are sold based on their performance and function, rather than their composition.

### Our Key Products

Our products include;

- Specialty surfactants (Ethylene Oxide based Ethoxylates and Propoxylates),
- Anti-oxidants,
- THEIC (Tris 2-Hydroxyethyl Isocyanurate),
- Urea Formaldehyde Resin (BC-700) and
- HQEE (Hydroquinone bis(2-hydroxyethyl) Ether).

They are available in a variety of forms, including noodles, powder, flakes, and liquid and find applications across diverse sectors including industrial applications, paints and coatings, home and personal care and agrochemicals. For further details, please refer section titled "**Our Business**" on page 75 of this Draft Letter of Offer.

### Significant Factors that may affect our Results of Operation

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "**Risk Factor**" beginning on page 22 of this Draft Letter of Offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- *Global Economic Volatility*: The ongoing global economic uncertainty, driven by factors such as geopolitical tensions and inflation, poses a significant risk to our operations, particularly in terms of export demand.
- *Intensified Competition*: The Indian specialty chemicals sector is becoming increasingly competitive, with both new entrants and existing players expanding their product portfolios. This competitive landscape demands continuous innovation and a focus on customer retention.
- *Raw Material Price Volatility*: Fluctuations in the prices of key raw materials, such as ethylene oxide, can significantly impact our profit margins, requiring adjustments in pricing strategies or sourcing alternatives.
- *Supply Chain Disruptions*: The global supply chain is subject to disruptions, which can impact the availability and cost of raw materials and finished goods. This requires us to proactively manage our supply chain to ensure production and delivery continuity.
- *Evolving Regulatory Landscape*: The chemical industry is subject to stringent regulations and evolving environmental standards. Maintaining compliance with these regulations requires continuous investment in technology, processes, and procedures, which can be costly.
- *Any adverse changes in central or state government policies*: Changes in regulations or policies by the government can impact business operations, resulting in increased costs or restrictions affecting profitability.
- *Our ability to attract and retain qualified personnel*: The availability of skilled workforce is crucial to maintaining operational efficiency; difficulties in hiring or retaining talent could adversely impact performance.
- *Market fluctuations and industry dynamics beyond our control*: Market volatility, shifts in demand, and changes in industry trends can affect sales and profitability unpredictably.
- *Conflict of interest with our promoter and other related parties*: Conflicts of interest can lead to decisions that might not align with the company's best interests, potentially affecting operational outcomes.
- *Changes in political and social conditions in India or in countries that we may enter*: Political instability or adverse social conditions in key markets can disrupt operations and affect business prospects.
- *The monetary and interest rate policies of India and other countries*: Fluctuations in monetary policy and interest rates can impact borrowing costs, capital availability, and overall financial performance.
- *Changes in the value of the Indian rupees and other currencies*: Currency fluctuations can affect the cost of imports, exports, and financial performance, particularly for businesses with significant foreign exchange exposure.
- *Experiencing any type of pandemic situation*: Pandemic conditions can disrupt supply chains, reduce demand, and lead to operational shutdowns, severely impacting our business performance.
- *Dependence on demand from end-user industries*: A decline in demand from industries that rely on our products could reduce sales volumes and profitability.
- *Cost and availability of raw materials*: Increases in raw material costs or supply shortages can raise production costs and squeeze profit margins.
- *Competition and pricing pressure*: Intense competition and downward pricing pressure can erode margins, impacting profitability.
- *Sales volume and demand from key customers*: Loss of key customers or a reduction in their demand can significantly affect revenue and business stability.
- *Expansion of our total installed production capacity*: Delays or issues with capacity expansion can hinder our ability to meet growing demand, impacting revenue growth.
- *R&D*: Investment in research and development is critical for innovation; insufficient R&D could hamper product competitiveness and market positioning.

### **Significant Accounting Policies**

The accounting policies have been applied consistently to the periods presented in the Restated Audited Financial Statements for the Fiscals 2024, 2023 and 2022. For details of our significant accounting policies, please refer section titled "**Financial Information**" on page 98 of this Draft Letter of Offer.

### **Reservations, Qualifications and Adverse remarks**

For details, see section titled "**Financial Information**" on page 98 of this Draft Letter of Offer.

## Our Results of Operations

The following table sets forth a breakdown of our results of operations and each item as a percentage of our total revenue for the periods indicated.

<i>(Currency: Indian Rupees in Lakhs)</i>							
Particulars	For the year ended March 31, 2024	(% of Total income)	For the year ended March 31, 2023	(% of Total income)	For the year ended March 31, 2022	(% of Total income)	
<b>Income</b>							
Revenue from operations	28,337.54	99.48%	24,476.00	99.26%	24,400.42	99.71%	
Other income	148.04	0.52%	181.62	0.74%	70.52	0.29%	
<b>Total income</b>	<b>28,485.58</b>	<b>100.00%</b>	<b>24,657.62</b>	<b>100.00%</b>	<b>24,470.94</b>	<b>100.00%</b>	
<b>Expenses</b>							
Cost of materials consumed	18,752.22	65.83%	16,980.86	68.87%	17,266.53	70.56%	
Purchases of stock-in-trade	537.21	1.89%	-	-	-	-	
Changes in inventories of work-in progress and finished goods	(12.37)	(0.04)	(360.07)	(1.46)	(327.88)	(1.34)	
Employee benefits expense	1,638.59	5.75%	1,313.76	5.33%	922.77	3.77%	
Finance costs	779.08	2.73%	744.27	3.02%	478.30	1.95%	
Depreciation and amortisation expense	738.01	2.59%	644.94	2.62%	580.57	2.37%	
Other expenses	3,378.50	11.86%	3,425.66	13.89%	3,415.05	13.96%	
<b>Total expenses (IV)</b>	<b>25,811.24</b>	<b>90.61%</b>	<b>22,749.42</b>	<b>92.26%</b>	<b>22,335.34</b>	<b>91.27%</b>	
<b>Profit before exceptional item and tax</b>	<b>2,674.34</b>	<b>9.39%</b>	<b>1,908.20</b>	<b>7.74%</b>	<b>2,135.60</b>	<b>8.73%</b>	
Exceptional item (refer note 41)	-	-	-	-	1782.00	7.28%	
<b>Profit before tax</b>	<b>2,674.34</b>	<b>9.39%</b>	<b>1,908.20</b>	<b>7.74%</b>	<b>3,917.60</b>	<b>16.01%</b>	
<b>Income Tax expense</b>							
Current tax	755.63	2.65%	480.67	1.95%	682.94	2.79%	
Deferred tax	34.04	0.12%	69.36	0.28%	487.14	1.99%	
Prior year tax adjustment (net of MAT credit of earlier year)	-	-	(7.94)	(0.03)	-	-	
<b>Total tax expense</b>	<b>789.67</b>	<b>2.77%</b>	<b>542.09</b>	<b>2.20%</b>	<b>1,170.08</b>	<b>4.78%</b>	
<b>Profit for the year</b>	<b>1,884.67</b>	<b>6.62%</b>	<b>1,366.11</b>	<b>5.54%</b>	<b>2,747.52</b>	<b>11.23%</b>	
<b>Other comprehensive income</b>							
<b>Items that will not be reclassified to profit or loss</b>							
Remeasurements of post-employment benefit	(42.65)	(0.15)	19.20	0.08%	7.55	0.03%	

Particulars	For the year ended March 31, 2024	(% of Total income)	For the year ended March 31, 2023	(% of Total income)	For the year ended March 31, 2022	(% of Total income)
Income tax relating to this item	12.42	0.04%	(5.59)	(0.02)	(2.10)	(0.01)
<b>Total other comprehensive income for the year, net of tax</b>	<b>(30.23)</b>	<b>(0.11)</b>	<b>13.61</b>	<b>0.06%</b>	<b>5.45</b>	<b>0.02%</b>
<b>Total comprehensive income for the year</b>	<b>1,854.44</b>	<b>6.51%</b>	<b>1,379.72</b>	<b>5.60%</b>	<b>2,752.97</b>	<b>11.25%</b>
<b>Earnings per equity share (face value of Rs. 10/- each)</b>						
<b>i) Earnings Per Share (before exceptional items)</b>						
Basic earnings per share (in Rupees)	25.63	0.09%	18.58	0.08%	13.13	0.05%
Diluted earnings per share (in Rupees)	25.63	0.09%	18.58	0.08%	13.13	0.05%
<b>ii) Earnings Per Share (after exceptional items)</b>						
Basic earnings per share (in Rupees)	25.63	0.09%	18.58	0.08%	37.37	0.15%
Diluted earnings per share (in Rupees)	25.63	0.09%	18.58	0.08%	37.37	0.15%

### Principal components of our statement of profit and loss account

The following descriptions set forth information with respect to the key components of the Restated Audited Financial Statements for the Fiscals 2024, 2023 and 2022.

#### Income

Our revenue comprises of:

- *Revenue from operations*

Our revenue from operations is predominantly from sale of finished goods (specialty chemicals) and traded goods, sale of processing charges services and other operating revenue comprising of scrap sales and duty drawback.

- *Other Income*

Other income comprises of interest income on bank deposits, profit on sale of property plant and equipment, provisions which are not required and are written back and net exchange differences.

#### Expenses

Our expenses comprise of:

- *Cost of materials consumed*

Cost of raw materials and packaging materials that are consumed.



- *Purchases of stock-in trade*

- *Changes in inventories of work-in progress and finished goods*

- *Employee benefits expenses*

This comprises of salaries and wages, contribution to provident and other funds and staff welfare expenses.

- *Finance costs*

Finance costs include interest on bank overdrafts and loans, interest on loans from related parties and other borrowing costs.

- *Depreciation and amortization expense*

This includes depreciation on property, plant and equipment and amortization of intangible assets.

- *Other Expenses*

The expenses under here include consumption of stores and spare parts, power and fuel, effluent treatment charges, sub-contract charges, freight and forwarding expenses, repairs and maintenance, plant and machinery, rent, insurance, rates and taxes, loss on assets sold/discarded/written off, legal and professional fees, service charges and computer maintenance, travelling and conveyance, communication expenses, printing and stationary, directors sitting fees, payments to auditors, provision to doubtful trade receivables, CSR and miscellaneous expenses

## **Comparison on the Results of Operation**

### **Fiscal 2024 compared to Fiscal 2023**

#### **Total Income**

Our total income for the Fiscal 2024 was ₹ 28,485.58 lakhs as compared to ₹ 24,657.62 lakhs for the Fiscal 2023, representing an increase of 15.52%. This increase is mainly attributed to addition of new product specifications and addition of new customers.

#### **Total revenue comprises of:**

- *Revenue from operations*

Our revenue from operations for the Fiscal 2024 was ₹ 28,337.54 lakhs as compared to ₹ 24,476 lakhs for the Fiscal 2023, representing an increase of 15.78%. This increase is mainly attributed to addition of new product specifications and addition of new customers.

- *Other Income*

Our other income for the Fiscal 2024 was ₹ 148.04 lakhs as compared to ₹ 181.62 lakhs for the Fiscal 2023, representing a decrease of 18.49%. The reduction is mainly attributed to reduction in foreign exchange gain due to increase in foreign currency rate.

#### **Expenses**

Our total expenditure for the Fiscal 2024 was ₹ 25,811.24 lakhs as compared to ₹ 22,749 lakhs for the Fiscal 2023, representing an increase of 13.46%. This increase is predominantly attributed to the increase in Sales.

Expenses comprise of:

- *Cost of materials consumed*

Our cost of materials consumed for the Fiscal 2024 was ₹ 18,752.22 lakhs as compared to ₹ 16,980.86 lakhs for the fiscal 2023, representing an increase of 10.43%. The increase is primarily due increase in Sales.

- *Changes in inventories of work-in progress and finished goods*

Our Changes in inventories of work-in progress and finished goods for the Fiscal 2024 were ₹ (12.37) lakhs as compared to ₹ (360.07) lakhs for the fiscal 2023, representing an increase of 96.56%. The increase is primarily due to increase in Sales.

- *Employee benefits expenses*

Our employee benefits expenses for the fiscal 2024 were ₹ 1,638.59 lakhs as compared to ₹ 1313.76 lakhs for the fiscal 2023, representing an increase of 24.73%. The increase is primarily due to salary increment and increase in number of employees.

- *Finance costs*

Our Finance costs for the fiscal 2024 were ₹ 779.08 lakhs as compared to ₹ 744.27 lakhs for the fiscal 2023, representing an increase of 4.68%. The increase is primarily due to increase in loans and interest rates.

- *Depreciation and amortization expense*

Our depreciation and amortization expense for the fiscal 2024 were ₹ 738.01 lakhs as compared to ₹ 644.94 lakhs for the fiscal 2023, representing an increase of 14.43 %. The increase is primarily due to additional capitalization during the year.

- *Other Expenses*

Our other expenses for fiscal 2024 were ₹ 3378.50 lakhs as compared to ₹ 3425.66 lakhs for the fiscal 2023, representing a decrease of 1.38 %. The decrease is primarily due to reduction in retirement of fixed assets.

- *Tax expenses*

Our total tax expense for the fiscal 2024 were ₹ 789.67 lakhs as compared to ₹ 542.09 lakhs for the fiscal 2023, representing an increase of 45.67 %. The increase is primarily due to increase in profit before tax.

- *Profit / (Loss) after tax (Net Profit)*

Our profit after tax for fiscal 2024 was ₹ 1884.67 lakhs as compared to ₹ 1366.11 lakhs for the fiscal 2023, representing an increase of 37.96 %. The increase is primarily due to increase in revenue and margin.

## **Fiscal 2023 compared to Fiscal 2022**

### **Total Income**

Our total income for the Fiscal 2023 was ₹ 24,657.62 lakhs as compared to ₹ 24,470.94 lakhs for the Fiscal 2022,

representing an increase of 0.76 %. This increase is mainly attributed to foreign exchange gain and sale of product.

**Total revenue comprises of:**

- *Revenue from operations*

Our revenue from operations for the Fiscal 2023 was ₹ 24,476 lakhs as compared to ₹ 24,400.42 lakhs for the Fiscal 2022, representing an increase of 0.31 %. This increase is mainly attributed to sale of product.

- *Other Income*

Our other income for the Fiscal 2023 was ₹ 181.62 lakhs as compared to ₹ 70.52 lakhs for the Fiscal 2022, representing an increase of 157.54 %. The increase is mainly attributed to the foreign exchange gain.

**Expenses**

Our total expenditure for the Fiscal 2023 was ₹ 22,749.42 lakhs as compared to ₹ 22,335.34 lakhs for the Fiscal 2022, representing an increase of 1.85 %. This increase is predominantly attributed to the increase in Sales value.

Expenses comprise of:

- *Cost of materials consumed*

Our cost of materials consumed for the Fiscal 2023 was ₹ 16,980.86 lakhs as compared to ₹ 17,266.53 lakhs for the fiscal 2022, representing a decrease of 1.65 %. The decrease is primarily due decrease in Sales volume.

- *Changes in inventories of work-in progress and finished goods*

Our Changes in inventories of work-in progress and finished goods for the Fiscal 2023 were ₹ (360.07) lakhs as compared to ₹ (327.88) lakhs for the fiscal 2022, representing a decrease of 9.82%. The decrease is primarily due to decrease in Sales volume.

- *Employee benefits expenses*

Our employee benefits expenses for the fiscal 2023 were ₹ 1313.76 lakhs as compared to ₹ 922.27 lakhs for the fiscal 2022, representing an increase of 42.37 %. The increase is primarily due to increase in number of employees.

- *Finance costs*

Our Finance costs for the fiscal 2023 were ₹ 744.27 lakhs as compared to ₹ 478.3 lakhs for the fiscal 2022, representing an increase of 55.61 %. The increase is primarily due to increase in loans and interest rates.

- *Depreciation and amortization expense*

Our depreciation and amortization expense for the fiscal 2023 were ₹ 644.94 lakhs as compared to ₹ 580.57 lakhs for the fiscal 2022, representing an increase of 11.09 %. The increase is primarily due to increase in loans and interest rates.

- *Other Expenses*

Our other expenses for fiscal 2023 were ₹ 3425.66 lakhs as compared to ₹ 3415.05 lakhs for the fiscal 2022, representing an increase of 0.31 %. The increase is marginal.

- *Tax expenses*

Our total tax expense for the fiscal 2023 was ₹ 542.09 lakhs as compared to ₹ 1170.08 lakhs for the fiscal 2022, representing a decrease of 53.67 %. The decrease is primarily due to tax on exceptional income for the fiscal year 2022.

- *Profit / (Loss) after tax (Net Profit)*

Our profit after tax for fiscal 2023 was ₹ 1366.11 lakhs as compared to ₹ 2747.52 lakhs for the fiscal 2022, representing a decrease of 50.28 %. The decrease is primarily due to tax on exceptional income for the fiscal year 2022.

### Cash Flows

The following table sets forth certain information relating to our cash flows with respect to operating activities, investing activities and financing activities for the periods indicated:

Particulars	<i>(Currency: Indian Rupees in Lakhs)</i>		
	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash from/ (used in) operating activities	4206.91	1411.53	3297.02
Net cash from/ (used in) investing activities	(4033.13)	(852.78)	(1711.69)
Net cash from/ (used in) financing activities	(1050.54)	(1055.59)	(855.93)
Net increase/ (decrease) in cash and cash equivalents	(876.76)	(496.84)	729.40
Cash and cash equivalents at the beginning of the year/period	(50.28)	446.56	(282.85)
Cash and cash equivalents at year/period end	(927.04)	(50.28)	446.55

#### Operating activities

Net cash from operating activities for the year ended March 31, 2024 was ₹ 4206.91 lakhs as compared to ₹ 1411.53 lakhs of previous year. This increase is mainly on account of reduction in working capital and increase in profit.

Net cash from operating activities for the year ended March 31, 2023 was ₹ 1411.53 lakhs as compared to ₹ 3297.02 lakhs of previous year. This decrease is mainly on account of increase in working capital and decrease in profit due to the exceptional income of ₹ 1782 lakhs in the previous year.

#### Investing activities

Investing activities comprises of payments for property, plant and equipment, capital work-in-progress proceeds from disposal of property, plant and equipment and Investment in fixed deposits with banks. (under lien).

Net cash utilized in investing activities for the year ended March 31, 2024 was ₹ 4033.13 lakhs. This was predominantly on account of ₹ 4144.87 lakhs towards payments for property, plant and equipment

Net cash utilized in investing activities for the year ended March 31, 2023 was ₹ 852.78 lakhs. This was predominantly on account of ₹ 821.10 lakhs towards payments for property, plant and equipment and capital work-in-progress.

Net cash utilized in investing activities for the year ended March 31, 2022 was ₹ 1711.69 lakhs. This was predominantly on account of ₹ 1634.19 lakhs towards payments for property, plant and equipment and capital work-in-progress.

#### Financing activities

Financing activities comprises of borrowings taken, repayment of borrowings, interest paid and dividend paid.

Net cash used in financing activities for the year ended March 31, 2024 was ₹ 1050.54 lakhs. This was predominantly on account of interest paid of ₹ 781.96 lakhs.

Net cash used in financing activities for the year ended March 31, 2023 was ₹ 1055.59 lakhs. This was predominantly on account of repayment of borrowings of ₹ 4574.97 lakhs.

Net cash used in financing activities for the year ended March 31, 2022 was ₹ 855.93 lakhs. This was predominantly on account of repayment of borrowings of ₹ 12,100 lakhs.

#### Variation in Net Profit after Tax:

The following table sets forth certain information relating to our Net Profit based on restated consolidated financial statement for the Fiscal ended 2024, 2023 and 2022 as follows:

Particulars	(Currency: Indian Rupees in Lakhs)		
	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net (loss) / profit after tax	1884.67	1366.11	2747.52

#### Fiscal 2024 compared to Fiscal 2023

Profit after tax for the Fiscal 2024 was ₹ 1884.67 lakhs as compared to a profit after tax of ₹ 1366.11 lakhs for the Fiscal 2023, representing increase in profit by 37.96% due to mainly in increase in revenue and margin.

#### Fiscal 2023 compared to Fiscal 2022

Profit after tax for the Fiscal 2023 was ₹ 1366.11 Lakhs as compared to a profit after tax of ₹ 2747.52 Lakhs for the Fiscal 2022, representing decrease in profit by 50.28% due to increase in expenses and exceptional income for the fiscal year 2022.

#### Contingent liabilities

The following table sets forth certain information relating to our contingent liabilities

Sr. No.	Particulars	(Currency: Indian Rupees in Lakhs)		
		Fiscal 2024	Fiscal 2023	Fiscal 2022
Claims against the Company not acknowledged as debt				
1	Sales Tax Matters			
	Demand notices issued by Sales Tax Department for which the Company has preferred appeal	446.81	508.76	508.76
2	Income Tax Matters			
	Demand notices issued by Income Tax Department for which the Company has preferred appeal	20.75	-	-

#### Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with any entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

#### Capital Expenditure

Capital expenditure is incurred mainly towards purchase property, plant and equipment and capital work-in-progress.

#### Qualitative Disclosure about Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse

changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt.

#### **Total Debt**

For details of our borrowings, please see section titled “*Financial Statements*” on page 98 of this Draft letter of offer.

#### **Known trends or uncertainties that have or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 22 and 145, respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

#### **Unusual or Infrequent Events or Transactions**

Except as described elsewhere in this Draft letter of offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

#### **Significant economic/regulatory changes**

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that have materially affected our Company’s operations or are likely to affect income except as mentioned in the section titled “*Risk Factors*” on page 22.

Except as disclosed in this Draft letter of offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” beginning from pages 22 and 145, respectively, and elsewhere in this Draft letter of offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which the material impact increases in net sales or revenue is based on the increased sales volume, introduction of new products or services or increased sales prices.

The Increase in revenues is by and large linked to increase in sale of units of our existing portfolio of products, introduction of new categories under existing brands and addition to new distribution channels.

#### **Competitive Conditions**

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like diverse product portfolio, extensive industry experience we are able to stay competitive. For further details, kindly refer the chapter titled “*Our Business*” beginning from page 75 of this Draft letter of offer.

#### **Total Turnover of Each Major Business Segment**

We operate only in one business segment namely Specialty Chemicals.

### **New Product or Business Segment**

Except as disclosed in “*Our Business*” on page 75, we have not announced and do not expect to announce in the near future any new products or business segments.

### **Significant dependence on a Single or Few Suppliers or Customers**

Other than as described in this Draft letter of offer, particularly in sections “*Risk Factors*” on page 22, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

### **Related party transactions**

For details of Related Party Transactions in Fiscal years 2024, 2023 and 2022, please see the “*Related Party Disclosure*” in section titled “*Financial Information*” at page 128 of this Draft letter of offer.

### **Subsidiary Company**

We do not have any subsidiaries.

### **Significant Developments since last balance sheet date**

Except as disclosed above and in this Draft letter of offer, including under “*Our Business*” and “*Risk Factors*” on pages 75 and 22 respectively, to our knowledge no circumstances have arisen since March 31, 2024, the date of the last financial information disclosed in this Draft letter of offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## MARKET PRICE INFORMATION

Our Company's Equity Shares have been listed and actively being traded on BSE from July 22, 1995.

- A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on the BSE and number of Equity Shares traded on the days on which such high and low prices were recorded for, and the volume of Equity Shares traded in, the Fiscals 2024, 2023 and 2022:

### BSE

(₹ for turnover in Lakhs)

Fiscal Year	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹)	Average price for the year (₹)	No. of trading days in the period
Fiscal 2024	1048	February 9, 2024	12,472	1,18,19,015	521.1	May 25, 2023	2,891	15,50,520	791.015	246
Fiscal 2023	748.3	April 21, 2022	13,551	99,33,396	378	June 20, 2022	20,809	83,11,568	543.99	249
Fiscal 2022	699	March 30, 2022	42,150	2,82,56,596	193.05	April 01, 2021	7,444	14,88,695	366.59	248

(Source: www.bseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

- B. The following tables set out the reported high and low and average of the closing prices of our Equity Shares recorded on the BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months:

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the date of filing of this Draft Letter of Offer are as follows:

### BSE

(₹ for turnover in Lakhs)

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹)	Average price for the month (₹)	No. of trading days in the period
September, 2024	1,015	September 16, 2024	2,484	24,29,156	896.5	September 13, 2024	20,471	1,94,27,175	943.62	20
August 2024	1,125	August 02, 2024	5,092	55,20,374	895	August 23, 2024	2,4236	2,29,00,589	968.63	21
July, 2024	1,113	July 01, 2024	25,515	2,71,10,471	917.7	July 23, 2023	1,438	13,71,236	1029	22
June, 2024	1076.45	June 28, 2024	77,530	8,09,43,358	829.95	June 04, 2024	6,020	51,65,805	930.80	19
May, 2024	955	May 28, 2023	4,234	38,83,768	730.2	May 13, 2024	1,390	10,38,725	844.19	22
April, 2024	888.65	April 26, 2024	2,367	20,42,058	732.5	April 15, 2024	1,538	11,70,696	801.18	20
March 2024	899.8	March 06, 2024	701	61,2041	753	March 14, 2024	1,953	15,99,516	830.40	19

(Source: www.bseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a month, average represents the average of the closing prices of all trading days of each month presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.
4. The data for the month of September, 2024 is taken upto the last trading day before filing of the Draft Letter of Offer i.e., September 27, 2024

The Board of our Company has approved the Issue at their meeting held on August 09, 2024. The high and low prices of our Company's shares as quoted on the BSE on August 12, 2024, the day on which the



trading happened immediately following the date of the Board meeting is as follows:

<b>Date</b>	<b>Volume (No of equity Shares)</b>	<b>High Price (₹)</b>	<b>Low price (₹)</b>
<b><u>BSE</u></b>			
August 12, 2024	2,737	989.95	934.9

(Source: [www.bseindia.com](http://www.bseindia.com))

The closing market price of the Equity Shares as on one day prior\* to the date of this Draft Letter of Offer was ₹ 920.20 on the BSE. The Issue Price is ₹ [●] per Rights Equity Share (including a premium of ₹[●] per Equity Shares).

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business.*

*Except as disclosed below, there are no outstanding litigations with respect to the (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; and (iv) any pending matters including civil litigation and tax proceedings, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.*

*In relation to point (iv) above, our Board of Directors vide a resolution dated August 11, 2023, has considered and adopted a 'Policy for Determining Material Events and Information', framed in accordance with Regulation 30 of the SEBI Listing Regulations ("Materiality Policy"). In terms of the Materiality Policy, any outstanding litigations, involving our Company, whose total monetary impact is equivalent to or exceeds the lower of the following:*

- a) 2% of turnover, as per the last audited financial statements of our Company;*
- b) 2% of net worth, as per the last audited financial statements of our Company, except in case the arithmetic value of the net worth is negative; and*
- c) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of our Company.*

*Since points (a) and (b) above are not applicable, accordingly, all outstanding litigation (including civil and tax proceedings), involving our Company whose monetary impact is equivalent to or in excess of 2% of net worth, as per the last audited financial statements of our Company, which is determined to be ₹ 164 lakhs have been disclosed in this section.*

*Additionally, it is clarified that pre-litigation notices received by our Company from third parties (excluding those notices issued by statutory or regulatory or governmental authorities) shall not be evaluated for materiality until such time our Company is impleaded as a defendant in litigation proceedings before any judicial forum.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer. All terms defined in a particular litigation disclosure below are for that particular litigation only.*

#### **I. Litigation involving our Company**

##### **A. Litigation filed against our Company**

##### **1. Criminal proceedings**

***Arun Mahadeo Khade v. Sunshield Chemicals Limited and Ors. – Original Criminal Complaint (RCC No. 2/2020)***

Arun Mahadeo Kahde ("**Complainant**") filed a Criminal Complaint on January 13, 2020, under Sections 15 and 16 of the Environment (Protection) Act, 1986, before the Judicial Magistrate First Class ("**JMFC**"), Pali, alleging that our Company was discharging untreated effluent into the Amba river, causing water pollution. Following the issuance of summons, our Company filed a revision application before the Court at Mazgaon to quash the complaint, which was rejected. Aggrieved, our Company approached the Hon'ble High Court of Bombay seeking to quash the lower courts' orders. On July 18, 2024, the Hon'ble High Court quashed and set aside the orders of JMFC, Pali, and the Mazgaon Court, remitting the matter to the Magistrate to issue a fresh order. The Court emphasized that the Magistrate must either conduct an inquiry himself or direct an investigation before proceeding with the case.

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material civil proceedings**

***Laxman Rama Karande v. Chetan Bahud, Sunshield Chemical Limited and Ors. - Regular Civil Suit No. 36/2022 & Laxman Rama Karande v. Sunshield Chemicals Limited and Anr. - Regular Civil Suit No. 35/2022***

Laxman Karande ("**Petitioner**") has initiated two separate civil suits against our Company and others ("**Respondents**") in the Hon'ble District Court at Pali, claiming ownership of land identified as Survey No. 32/1, related to Regular Civil Suit No. 36/2022, and land identified as Survey No. 33/1, related to Regular Civil Suit No. 35/2022 ("the Lands"). It is important to note that our Company is only concerned with the land bearing Survey No. 33/1, of which it is the rightful owner. The land bearing Survey No. 32/1 is not owned by our Company, yet we have still been made a party to that suit.

The Petitioner claims ownership of the Lands as the legal successor of Rama Sadhu Karande, arguing that in the absence of any executed deed transferring the rights, he remains the rightful owner. In Civil Suit No. 35/2022, the Petitioner further alleges that Respondent No. 11 fraudulently sold the land to our Company through a fabricated sale deed dated August 11, 2004. The Petitioner seeks recognition as the rightful owner of the land. The value of the property is currently unascertainable, and the matter is pending before the Hon'ble Court.

4. **Tax Proceedings**

**Principal Commissioner of Income-Tax-8, Mumbai vs Sunshield Chemicals Ltd.**

The Principal Commissioner of Income-Tax-8, Mumbai ("**Appellant**") filed an Income Tax Appeal bearing no. 2088 of 2022 before High Court of Judicature at Bombay ("**Hon'ble High Court**") against Sunshield Chemicals Limited. ("**Respondent**") challenging the order passed by the Income Tax Appellate Tribunal, Mumbai Bench ("**ITAT**"). The Respondent had e-filled Return of Income dated September 26, 2013, declaring total income at NIL as per normal provisions of the Income Tax Act, 1961 ("**Act**") and book profits as per Section 115JB of the Act at ₹ 1,03,03,547/-. Subsequently, Assessing Officer ("**AO**") passed an order under section 143(3) of the Act dated March 8, 2016, assessing total income of ₹ 1,10,98,527/- after making an addition of ₹ 7,85,980/- on account of incremental provisions of Deferred Sales Tax under section 115JB. The Respondent had shown ₹ 7,29,07,204 as brought forward unabsorbed depreciation, adjusted an amount of ₹ 36,07,074/- of unabsorbed depreciation under section 32(2) of the Act during AY 2013-14 and claimed carry forward of unabsorbed depreciation at ₹ 6,93,00,130/-. The AO disallowed Respondent's claim of set-off of brought forward unabsorbed depreciation for AY 1996-97 to AY 1999-2000, as the term of 8 years for carry forward had expired. The recomputed amount of unabsorbed depreciation to be carried forward was ₹ 84,62,991/-. Similar disallowance was made by AO for AY 2009-10 and subsequent years by an order dated March 8, 2016. The Respondent, aggrieved by the order passed by AO dated March 8, 2016, filed an appeal before Learned CIT (Appeals) Mumbai ("**CIT(A)**"). CIT(A) partly allowed the appeal vide order dated February 20, 2019. Subsequently, Revenue filed an appeal bearing ITA No. 3767/Mum/2019 (AY 2013-14) before the ITAT challenging the above-mentioned order passed by CIT(A). The ITAT dismissed the appeal of the Revenue in ITA No. 3767/Mum/2019 (AY 2013-14) vide order dated June 9, 2021. The Appellant, aggrieved by the ITAT's order filed an appeal which is pending before the Hon'ble High Court.

**Principal Commissioner of Income-Tax-8, Mumbai vs Sunshield Chemicals Ltd.**

The Principal Commissioner of Income-Tax-8, Mumbai ("**Appellant**") has filed an Income Tax Appeal (No. 2156 of 2022) before the Hon'ble High Court of Bombay, challenging the order of the Income Tax Appellate Tribunal ("**ITAT**") in favor of Sunshield Chemicals Limited ("**Respondent**"). The dispute concerns the Respondent's return of income for AY 2014-15, where the Respondent declared a total

income of ₹30,13,542/- and book profits of ₹ 5,38,80,717/- under Section 115JB of the Income Tax Act, 1961. The Assessing Officer (“AO”) had disallowed a portion of the Respondent’s claim for set-off of unabsorbed depreciation from AY 1996-97 to AY 1999-2000, reducing the allowable depreciation from ₹ 6,93,00,130/- to ₹ 84,62,991/-. The Revenue’s subsequent appeal before the ITAT (ITA No. 3768/Mum/2019) was dismissed on June 9, 2021. The Appellant, dissatisfied with the ITAT’s decision, has now appealed to the Hon’ble High Court, and the matter is pending.

**B.** *Litigation filed by our Company.*

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

***Sunshield Chemicals Limited v. Maulesh Bhatt & Ors.:***

Our Company has initiated legal proceedings against Maulesh Bhatt, Sole Proprietor of Divine Process Engineering (“**Accused Firm**”), in connection with a dispute arising from the purchase of an EO/PO Pilot Reactor System under Purchase Order No. 450422562 for a total consideration of ₹12,98,000/-. After making advance payments totalling ₹ 8,25,000/-, the Accused Firm issued an invoice for the full amount, leading our Company to inadvertently remit the entire ₹ 12,98,000/- without accounting for the advance payments. Despite multiple attempts to recover the excess payment of ₹8,25,000/-, including the issuance of Legal Notices on May 12, 2023, May 26, 2023, and June 20, 2023, the Accused Firm failed to refund the amount. Consequently, our Company filed a complaint under Sections 420 and 403, read with Section 34 of the Indian Penal Code, before the Hon’ble Court at Kurla on October 27, 2023. The matter is currently pending.

***Sunshield Chemicals Limited v. Hind Kamgar Sanghatana – Industrial Tribunal, Maharashtra, Thane – Ref (IT) No. 07 of 2021***

The captioned matter was referred to the Industrial Tribunal, Maharashtra, Thane by the Government of Maharashtra for deciding the dispute raised by the Hind Kamgar Sanghatana (“**Union**”) on behalf of its member workers. The dispute pertains to a Charter of Demands raised by the Union with our Company. However, the Union has failed to file any statement of justification in support of the Charter of Demand raised by it despite lapse of more than two years. Further, at present, none of the concerned staff member who at the relevant time were the members of the Union and on whose behalf the dispute was raised, are currently members of the Union to the best of the Company’s knowledge. The said staff has joined another union by the name of Association of Chemical Workers which is already existing union in the factory establishment of our Company. In view of the above our Company filed an application before the Industrial Tribunal seeking rejection of the reference. The matter is presently pending before the Industrial Tribunal, Maharashtra, Thane.

**II. Litigation involving our Directors**

**A.** *Litigation filed against our Directors*

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material civil proceedings**

Nil

**B.** *Litigation filed by our Directors*

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

**III. Litigation involving our Promoters**

**A.** *Litigation filed against our Promoters*

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material civil proceedings**

Nil

**B.** *Litigation filed by our Promoters*

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

**IV. TAX CLAIMS AGAINST OUR COMPANY, DIRECTORS, PROMOTERS**

<i>(₹ in Lakhs)*</i>		
<b>Nature of case</b>	<b>Number of cases</b>	<b>Amount Involved</b>
<b>Company</b>		
Direct Tax	4	202.08 <sup>^</sup>
Indirect tax	8	1412.43 <sup>#</sup>
<b>Total</b>	<b>12</b>	<b>1614.51</b>
<b>Promoter</b>		
Direct Tax	3	2922.41 <sup>~</sup>
Indirect Tax	Nil	Nil
<b>Total</b>	<b>3</b>	<b>2922.41</b>

*\*To the extent quantifiable*

<sup>^</sup>(1) The Amount involved in Direct Tax Column of the Company includes an Outstanding Demand Notice of ₹1,81,33,867 raised by Central Board of Direct Tax ("CBDT"). The Company has submitted their response and are now expecting an order from CBDT.

<sup>#</sup>(1) The Amount involved in Indirect Tax Column of the Company includes a Show Cause Notice of ₹ 7,80,83,517 issued on June 14, 2024 from the Office of the, Deputy Commissioner of State Tax, Mumbai ("**Deputy Commissioner**") for alleged discrepancies in the GST Returns for A.Y. 2020-2021. The Company has submitted its response and awaiting the Deputy Commissioner's subsequent action

(2) The Amount involved in Indirect Tax Column of the Company includes a Show Cause Notice of ₹ 5,12,13,588 issued on October 19, 2022, from the Principal Commissioner of Customs ("**Customs Authority**") for alleged non-payment of customs duties.

*Company has replied to the show cause notice and are awaiting a response from the Customs Authority.*

*~(1)The Amount involved in Direct Tax Column of the Promoter includes an Outstanding Demand Notice raised under section 156 of the Income tax Act, 1961 on March 24, 2024 of ₹ 21,62,57,621 (including interest) Central Board of Direct Tax ("CBDT"). The Promoter has submitted a response dated July 12, 2024, and are now expecting an order from CBDT.*

*(2) The Amount involved in Direct Tax Column of the Promoter includes an Outstanding Demand Notice raised under section 156 on September 29, 2022, of ₹ 6,02,88,550 (including interest) by Central Board of Direct Tax ("CBDT"). The Promoter has submitted a response dated December 25, 2022, and are now expecting an order from CBDT.*

*(3) The Amount involved in Direct Tax Column of the Promoter includes an Outstanding Demand Notice raised on July 16, 2022 of ₹ 1,66,95,391 raised by Central Board of Direct Tax ("CBDT"). The Promoter has submitted a response dated December 12, 2022 and are now expecting an order from CBDT.*

## **V. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS OR A FRAUDULENT BORROWER**

Neither our Company, nor our Promoters and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

We are not required to obtain any licenses or approvals from any governmental and regulatory authorities in relation to the objects of this Issue. For further details, please refer to “*Objects of the Issue*” beginning on page 51 of this Draft Letter of Offer.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue has been authorised by a resolution of the Board passed at its meeting held August 9, 2024, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

The Rights Issue Committee, at its meeting held on [●], determined the Issue Price of [●] per Rights Equity Share (including a premium of [●] per Rights Equity Share), and the Rights Entitlement as [●] Rights Equity Share for every [●] fully paid-up Equity Shares held on the Record Date. The Issue Price is [●] and has been arrived at by our Company in consultation with the Advisor to the Issue prior to determination of the Record date.

On Application, Investors will have to pay ₹ [●] per Rights Equity Share, which constitutes 100% of the Issue Price.

Our Company has received 'in-principle' approval for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28(1) of SEBI Listing Regulations, *vide* letter bearing reference number [●] dated [●] issued by BSE for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. Our Company will also make application to BSE to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. Our Company has been allotted ISIN [●] from both NSDL and CDSL for fully paid-up shares. For details, see "*Terms of the Issue*" on page 174 of this Draft Letter of Offer.

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

There are no outstanding SEBI actions against our Company or our Promoters and members of our Promoter Group as on the date of this Draft Letter of Offer. For details, see chapter titled "*Outstanding Litigations and Default*" on page 158 of this Draft Letter of Offer.

Further, our Promoters and our Directors are not promoters or directors of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018.

### Association of our Directors with the securities markets

None of our Directors are associated with the securities market.

### Prohibition by RBI

Neither our Company nor our Promoters and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.



### **Compliance with Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer

### **Eligibility for the Issue**

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Pursuant to Clause (2) of Part B-1 of Schedule VI to the SEBI ICDR Regulations our Company is undertaking the Issue in compliance with Part B-1 of Schedule VI of the SEBI ICDR Regulations.

### **Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the BSE for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

### **Disclaimer Clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT LETTER OF OFFER TO THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, FORTRESS CAPITAL MANAGEMENT SERVICES PRIVATE LIMITED, THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (“SEBI ICDR REGULATIONS”). THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FORTRESS CAPITAL MANAGEMENT PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS, WHICH READS AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
  - a) THE DRAFT LETTER OF OFFER IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

- b) **ALL THE MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- c) **THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, TO THE EXTENT APPLICABLE, SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS –NOT APPLICABLE**
5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER –NOT APPLICABLE**
6. **WE CERTIFY THAT REGULATION 15 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE**
7. **WE UNDERTAKE THAT SUB-REGULATION (3) OF REGULATION 14 AND CLAUSE (C) AND (D) OF SUB-REGULATION (9) OF REGULATION 25 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE –NOT APPLICABLE.**
8. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE CREDITED/TRANSFERRED IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOT APPLICABLE. THIS BEING A RIGHTS ISSUE, SECTION 40(3) OF THE COMPANIES ACT, 2013 IS NOT APPLICABLE. FURTHER, TRANSFER OF MONIES**

RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 90 OF THE SEBI ICDR REGULATIONS, AS AMENDED.

9. WE CERTIFY THAT THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE “MAIN OBJECTS” IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST 10 YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - COMPLIED TO THE EXTENT APPLICABLE.
10. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:
  - a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY. AS ON THE DATE OF THE DRAFT LETTER OF OFFER, OUR COMPANY HAS NOT ISSUED ANY SR EQUITY SHARES AND THERE ARE NO OUTSTANDING SR EQUITY SHARES; AND
  - b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
11. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS, AS AMENDED WHILE MAKING THE ISSUE –NOTED FOR COMPLIANCE
12. WE CONFIRM THAT THE ISSUER IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS –NOT APPLICABLE.
13. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS’ EXPERIENCE, ETC.- COMPLIED WITH.
14. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. - COMPLIED WITH.

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

**Disclaimer from our Company, our Directors and Lead Manager**

Our Company accepts no responsibility for statements made other than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented to our Company, and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice/evaluation as to their ability and quantum of investment in the Issue.

### **CAUTION**

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlements, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as of its date.

Our Company and its directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant, whether such Applicant is eligible to acquire any Rights Equity Shares.

### **Disclaimer in respect of Jurisdiction**

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

### **Disclaimer Clause of BSE**

As required, a copy of the Draft Letter of Offer has been submitted to BSE. The disclaimer clause, as intimated by BSE to us, post scrutiny of the Draft Letter of Offer will be inserted, prior to filing of the Letter of Offer with the Stock Exchange.

### **Designated Stock Exchange**

The Designated Stock Exchange for the purposes of this Issue is BSE Limited.

### **Listing**

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

### **Selling Restrictions**

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Common Application Form and the Rights Entitlement Letter ("**Issue Materials**") and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and, in accordance with the SEBI ICDR Regulations, the Company will dispatch Issue Materials only to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such

Eligible Equity Shareholders have provided their valid e-mail address, the relevant Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then Issue Material will be physically dispatched, on a reasonable effort basis, to the Indian address provided by them. Those overseas Shareholders, who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail or send a physical copy of the Issue Materials, shall not be sent the issue Materials.

Investors can also access the Issue Materials from the websites of the Registrar, our Company and the Stock Exchanges.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of the Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction, to the possession, circulation, or distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares of Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that the Draft Letter of Offer has been filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer, and, in those circumstances, the Issue Materials must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed.

Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Materials to any person outside India where to do so, would or might contravene local securities laws or regulations. If Issue Materials are received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares, or the Rights Entitlements referred to in the Issue Materials.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of the Issue Materials nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

**THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE ISSUE OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE ISSUE OF RIGHTS EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

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

**THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (“UNITED STATES”), AND APPLICABLE STATE SECURITIES LAWS. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT. THERE IS NO INTENTION TO REGISTER ANY PORTION OF THE ISSUE OR ANY OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES. ACCORDINGLY, THIS ISSUE MATERIALS SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.**

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, the Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

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

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers, and sales are made.

## **NO OFFER IN ANY JURISDICTION OUTSIDE INDIA**

**NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY**

**OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.**

### **Consents**

Consents in writing of our Directors, Company Secretary and Compliance Officer, Lead Manager, Legal Advisor, Monitoring Agency\*, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank\* to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

*\*To be obtained prior to filing the Letter of Offer*

### **Expert Opinion**

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

Our Company has received a written consent dated September 30, 2024 from our Statutory Auditors, CNK & Associates LLP, to include their name in this Draft Letter of Offer as an "expert", as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as statutory auditors, and in respect of (i) examination report dated August 24, 2024 on our Restated Consolidated Financial Statements for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022; (ii) limited review report dated August 09, 2024 on our Limited Review Financial Statements for the three month period ended June 30, 2024; and (iii) the statement of tax benefits dated September 30, 2024 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received a written consent dated September 28, 2024 from Ashok Sonje, Chartered Engineer, to include his name as an "expert" as defined under section 2(38) and 26(5) of the Companies Act, 2013 to the extent and in his capacity as the independent chartered engineer and in respect of the certificate issued by him and included in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

### **Performance vis-à-vis objects – Public/Rights Issue of our Company**

Our Company has not made any public issues during last five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues. - we have not made any public issues.

### **Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates**

As on date of filing of this Draft Letter of Offer, our Company does not have any Subsidiaries.

### **Stock Market Data of the Equity Shares**

Our Equity Shares are listed on BSE. Our Equity Shares are traded on BSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled "**Market Price Information**" on page 156 of this Draft Letter of Offer

### **Filing**

This Draft Letter of Offer has been filed with SEBI for its observations electronically through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI circular bearing reference no. SEBI/HO/CFD/ DIL1/ CIR/P/2018/ 011) dated January 19, 2018, issued by the SEBI, and with the Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, our Company has submitted a copy of this Draft Letter of Offer to the e-mail address: [cfdil@sebi.gov.in](mailto:cfdil@sebi.gov.in). After SEBI gives its observations, the final Letter of Offer will be filed with SEBI and the Stock Exchange simultaneously with the filing of the Letter of Offer with the Designated Stock Exchange as per the provisions of the SEBI ICDR Regulations.

## **Mechanism for Redressal of Investor Grievances**

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights.

Bigshare Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

## **Investor Grievances arising out of this Issue**

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), email address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning on page 174 of this Draft Letter of Offer. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

### **Registrar to the Issue:**

#### **Bigshare Services Private Limited**

Office No. S6-2, 6th Floor,  
Pinnacle Business Park,  
Next to Ahura Centre,  
Mahakali Caves Road,  
Andheri (East) Mumbai 400 093  
**Telephone:** +91 22 6263 8200  
**Email:** [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Investor grievance e-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact Person:** Suraj Gupta  
**SEBI Registration No.:** INR000001385

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/post-Issue related matters such as non-receipt of Letters of Allotment/share certificates/demat credit/Refund Orders etc.

**Amit Kumashi** is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder:



**Amit Kumashi**

1501-A, Universal Majestic, P. L. Lokhande Marg  
Behind R. B. K. International Academy  
Chembur West, Mumbai – 400043.

**Telephone:** +91-22-25550126

**E- mail:** [investorservices@sunshieldchemicals.com](mailto:investorservices@sunshieldchemicals.com)

*[Remainder of the page is intentionally left blank]*

## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make an independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.*

*Please note that in accordance with the provisions of the SEBI ICDR Master Circular, all investors (including Renouncee) shall make an application for a rights issue only through ASBA facility.*

### OVERVIEW

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents/ records confirming the legal and beneficial ownership of the securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE and the terms and conditions as stipulated in the Allotment Advice.

### Dispatch and availability of Issue Materials

**In accordance with the SEBI ICDR Regulations, SEBI ICDR Master Circular and the ASBA Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material ('Issue Materials') only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.**

**Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard.**

Investors can also access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- Our Company at [www.sunshieldchemicals.com](http://www.sunshieldchemicals.com);
- the Registrar to the Issue at [www.bigshareonline.com](http://www.bigshareonline.com);
- the Lead Managers at [www.fortresscapital.in](http://www.fortresscapital.in)
- Securities and Exchange Board of India at [www.sebi.gov.in](http://www.sebi.gov.in); and
- the Stock Exchange at [www.bseindia.com](http://www.bseindia.com)

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit [www.bigshareonline.com](http://www.bigshareonline.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company at [www.sunshieldchemicals.com](http://www.sunshieldchemicals.com).

Further, our Company along with the Lead Managers will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

**Please note that neither our Company nor the Registrar nor the Lead Managers shall be responsible for not sending the physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.**

Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number and such other credentials for validation of the identity of the shareholder, as may be required.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer, the Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the

Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Managers or their respective affiliates to make any filing or registration (other than in India).

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

**THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN AND IN RELIANCE ON REGULATIONS UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.**

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions ; (ii) does not include the relevant certifications set out in the Application Form, including that such person is submitting and/ or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements, including in the United States; and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such Application Form.

#### **PROCESS OF MAKING AN APPLICATION IN THE ISSUE**

**In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 177.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

a) *Facilities for Application in this Issue:*

**ASBA facility**

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, please refer to Paragraph titled "***Procedure for Application through the ASBA process***" beginning on page 185 of this Draft Letter of Offer.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

b) *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:*

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

c) *Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:*

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only.

Such Eligible Equity Shareholders holding shares in physical form, as applicable, can update the details of their respective demat accounts on the website of the Registrar (*i.e.* [www.bigshareonline.com](http://www.bigshareonline.com)). Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish their relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) along with the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI ICDR Master Circular, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

d) *Application for Additional Equity Shares:*

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "*Basis of Allotment*" beginning on page 200 of this Draft Letter of Offer.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.**

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the Renounee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled "*Procedure for Application through the ASBA process*" beginning on page 185 of this Draft Letter of Offer.

e) *Other important links and helpline:*

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: [www.bigshareonline.com](http://www.bigshareonline.com)
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company *i.e.* Link Intime India Private Limited: [www.bigshareonline.com](http://www.bigshareonline.com)
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable: [www.bigshareonline.com](http://www.bigshareonline.com); and

- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: [●]

### **Renounees**

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renounee(s) as well.

### **Authority for the Issue**

The Board of Directors in its meeting dated August 09, 2024, have authorised this Issue under Section 62(1)(a) of the Companies Act, 2013.

This Draft Letter of Offer is approved by our Board of Directors pursuant to its circular resolution dated September 30, 2024. The Board of Directors has in their meeting held on [●] approved the Letter of Offer. The Rights Issue Committee has in their meeting held on [●] determined the Issue Price at [●] per Equity Share (including a premium of ₹ [●] per Equity Share), the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date. Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to letters dated [●] and [●] respectively. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular. The Issue Price is ₹ [●] per Equity Share and has been arrived at by our Company in consultation with the Lead Managers prior to determination of the Record Date.

Our Company has been allotted the ISIN: [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. For details, please refer to the section entitled "*Terms of the Issue*" beginning on page 174 of this Draft Letter of Offer.

### **Basis for the Issue**

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

### **Rights Entitlement ("REs") (Rights Equity Shares)**

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form / in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue [www.bigshareonline.com](http://www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company: [www.sunshieldchemicals.com](http://www.sunshieldchemicals.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date in dematerialised form only. Further, if no Application is made by the Eligible Equity Shareholders or the Renouncees of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market or off-market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited with the Rights Entitlements are required to make an Application and apply for Equity Shares offered under the Rights Issue, if they want to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

## **PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE**

### **Face Value**

Each Rights Equity Share will have a face value of ₹10.

### **Issue Price**

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share in the Issue.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Issue Price is ₹ [●] per Equity Share and has been arrived at by our Company in consultation with the Lead Managers prior to determination of the Record Date.

### **Rights Entitlement Ratio**

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

### **Rights of instrument holder**

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

### **Terms of Payment**

The entire amount of the Issue Price of ₹ [●] per Rights Equity Share shall be payable at the time of Application.

### **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity



Shareholders is less than [●] Equity Share(s) or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement, if any.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to [●] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for Additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in the Issue post allocation towards Rights Entitlements applied for.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (one) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

### **Ranking**

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and Memorandum of Association and the Articles of Association provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

### **Mode of payment of dividend**

In the event of a declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

### **Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue**

As per the SEBI ICDR Master Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the Issue Opening Date. On the Issue Closing Date, the Depositories will suspend the ISIN of Rights Entitlements for transfer and once the Allotment is done post the Basis of Allotment approved by the Designated Stock Exchange, the separate ISIN no. [●] for Rights Entitlements so obtained will be permanently deactivated from the Depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: **INE199E01014** on BSE (Scrip Code: **539992**) (Symbol: **SUNSHIEL**). The Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Our Company has received in-principle approval from BSE through letter dated [●] respectively. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalization of the Basis of Allotment. Our Company will apply to BSE for final

approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the BSE. Upon receipt of such listing and trading approvals, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time prescribed under the SEBI ICDR Regulations. The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company shall within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, forthwith refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of fourth day, be jointly and severally liable to repay the money, with interest at rates prescribed under applicable law. For details of trading and listing of Rights Equity Shares, please refer to the heading "*Terms of Payment*" beginning on page 180 of this Draft Letter of Offer.

#### **Subscription to the Issue by our Promoters and Promoter Group**

For details of the intent and extent of the subscription by our Promoters and Promoter Group, please refer to "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" beginning on page 48 of this Draft Letter of Offer

#### **Rights of holders of Equity Shares**

Subject to applicable laws, the Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited/restricted by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

#### **General terms of the Issue**

##### **Market Lot**

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

##### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions

contained in the Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.

### **Nomination**

The nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

**Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its respective Depository Participant.**

### **Arrangements for Disposal of Odd Lots**

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

### **Restrictions on transfer and transmission of shares and on their consolidation/splitting**

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 01, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effect unless the securities are held in the dematerialized form with a depository.

### **Notices**

In accordance with the SEBI ICDR Regulations, SEBI ICDR Master Circular and MCA General Circular No. 21/2020, our Company will send, through email and registered/speed post, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other Issue Material only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, our Company along with the Lead Managers will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

**Please note that neither our Company nor the Registrar nor the Lead Managers shall be responsible for not sending the physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.**

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national

daily newspaper with wide circulation and a Marathi language daily newspaper (Marathi being the regional language in the place where our Registered and Corporate Office is located).

This Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

## **PROCEDURE FOR APPLICATION**

### **How to Apply**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat escrow account, as applicable. For further details on the Rights Entitlements and demat escrow account, see "*Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 177 of this Draft Letter of Offer.

Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, please refer to "*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*" beginning on page 177 of this Draft Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Prior to making an Application, such Investors should enable the internet banking of their respective bank accounts, and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking.

**Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details, please refer to "Grounds for Technical Rejection" beginning on page 197 of this Draft Letter of Offer. Our Company, the Lead Managers, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please refer to "*Applications on Plain Paper under ASBA process*" beginning on page 189 of this Draft Letter of Offer.

### **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each Eligible Equity Shareholders Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and other Issue Materials would also be available on the website of the Registrar to the Issue at [www.bigshareonline.com](http://www.bigshareonline.com) and link of the same would also be available on the website of our Company at ([www.sunshieldchemicals.com](http://www.sunshieldchemicals.com)) Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholders will have the option to:

- i. apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii. apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- v. renounce its Rights Entitlements in full.

In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in "*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*" beginning on page 177 of this Draft Letter of Offer.

### **Procedure for Application through the ASBA process**

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time

of submission of the Application.

### **Self-Certified Syndicate Banks**

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in the Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

### **Acceptance of this Issue**

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

**Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.**

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "*Applications on Plain Paper under ASBA process*" beginning on page 189 of this Draft Letter of Offer.

### **Additional Rights Equity Shares**

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for Additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the BSE in the manner prescribed under the section titled "*Terms of the Issue*" beginning on page 174 of this Draft Letter of Offer. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*" beginning on page 200 of this Draft Letter of Offer.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares.**

**Applications by Overseas Corporate Bodies**

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renounee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 08, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 03, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renounee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

**RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT**

■ **Renounees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renounee(s) as well.

■ **Renunciation of Rights Entitlements**

The Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements

## ■ **Procedure for Renunciation of Rights Entitlements**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stockbroker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**Our Company and the Lead Managers accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.**

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

### a) *On Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stockbroker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain approval from the Stock Exchanges for trading of Rights Entitlement. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stockbrokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on ‘T+1 rolling settlement basis’, where ‘T’ refers to the date of trading. The transactions will be settled on a trade-for-trade basis. Upon execution of the order, the



stockbroker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

b) *Off Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a Depository Participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their Depository Participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their Depository Participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

**Applications on Plain Paper under ASBA process**

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Lead Managers, the Stock Exchanges to provide requisite details.

An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated

Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Sunshield Chemicals Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ [●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the Applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

*"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

*"I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

*I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

*I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.*

*I/ We hereby make representations, warranties and agreements set forth herein.*

*I/We acknowledge that the Company, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties and agreements set forth therein."*

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com)

Our Company, the Lead Managers and the Registrar shall not be responsible if the Applications are not uploaded by SCSB, or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

- ***Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form***
- Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in the Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, as applicable, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The remaining procedure for Application shall be same as set out in "***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" on page 189.
- (d) In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later

than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

**PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM, AS APPLICABLE.**

#### **Last date for Application**

The last date for submission of the duly filled in Application Form is [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "*Terms of the Issue - Basis of Allotment*" beginning on page 200 of this Draft Letter of Offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

#### **Modes of Payment**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

### **Mode of payment for Resident Investors**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility. Applicants are requested to strictly adhere to these instructions.

### **Mode of payment for Non-Resident Investors**

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 04, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Right Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment Advice. If a non-resident or NRI Investor has specific approval from RBI, or any other governmental authority in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application and send it to the Registrar. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Managers, and our Company will not be responsible for any such allotments made by relying on such approvals.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

### **As regards Applications by Non-Resident Investors, the following conditions shall apply:**

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

*Note:*

*In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their e-mail addresses and upon its failure only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. This Draft Letter of Offer will be provided, only through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.*

*Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Managers and the Stock Exchanges. Further, Application Forms will be made available at Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.*

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.
- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

#### **Allotment of the Rights Equity Shares in Dematerialized Form**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE REFER TO "ALLOTMENT ADVICES/ REFUND ORDERS/UNBLOCKING OF ASBA ACCOUNTS" BEGINNING ON PAGE 201 OF THIS DRAFT LETTER OF OFFER.**

#### **General instructions for Investors**

- Please read this Draft Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.
- Please read the instructions on the Application Form sent to you.
- The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- Application should be made only through the ASBA facility.
- Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "**Applications on Plain Paper under ASBA process**" beginning on page 189 of this Draft Letter of Offer.
- In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through

ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE.

- k) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar or the Lead Managers.
- l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid.
- o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- q) All communication in connection with Application for the Rights Equity Shares, including any change in address, contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the Date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in address, contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective Depository Participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable.
- r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- u) In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

#### **Additional general instructions for Investors in relation to making of an Application**

- a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be

- given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- b) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "**Applications on Plain Paper under ASBA process**" beginning on page 189 of this Draft Letter of Offer.
  - c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar or shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**
  - d) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
  - e) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
  - f) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
  - g) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
  - h) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
  - i) Do not pay the Application Money in cash, by money order, pay order or postal order.
  - j) Do not submit multiple Applications.
  - k) No investment under the FDI route requiring government approval will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
  - l) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

**Do's:**

- a) Ensure that the Application Form and necessary details are filled in.
- b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.
- d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead



Managers, the SCSBs or the Registrar will not be liable for any such rejections.

**Don'ts:**

- a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- e) Do not submit multiple Applications.

**Do's for Investors applying through ASBA:**

- a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account
- b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- f) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- i) Ensure that your PAN is linked with Aadhaar, and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

**Don'ts for Investors applying through ASBA**

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
- e) Do not submit Application Form using third party ASBA account.

**Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- a) DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio number and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to our Company, the Lead Managers, the Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.

- d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- f) Account holder not signing the Application or declaration mentioned therein.
- g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Investors that are residing in U.S. address as per the depository records (other than in reliance with Reg S).
- s) Applicants not having the requisite approvals to make application in the Issue.

**IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**

- a) Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

- b) These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- c) The Allotment Advice and the email intimating unblocking of ASBA Account would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.
- d) In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

**Multiple Applications**

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors, and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, please refer to "*Investment by Mutual Funds*" beginning on page 205 of this Draft Letter of Offer.

In cases where multiple Applications are submitted, including cases where an (a) Investor submits Application Forms along with a plain paper Application, or (b) multiple plain paper Applications, or (c) multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications that may be submitted by any of the Promoters or members of the Promoter Group as described in "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" beginning on page 48 of this Draft Letter of Offer.

**Underwriting**

The Issue is not underwritten.

**Withdrawal of Application**

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

**Issue schedule**

A.	<b>Last date for credit of Rights Entitlements</b>	[●]
B.	<b>Issue Opening Date</b>	[●]
C.	<b>Last date for On Market Renunciation*</b>	[●]
D.	<b>Issue Closing Date</b>	[●]

<b>E. Finalisation of Basis of Allotment (on or about)</b>	[●]
<b>F. Date of Allotment (on or about)</b>	[●]
<b>G. Date of credit (on or about)</b>	[●]
<b>H. Date of listing (on or about)</b>	[●]

*Note: Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).*

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

*\*\*Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

*Our Company, the Lead Managers and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, *i.e.*, [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, [●].

### **Basis of Allotment**

Subject to the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renounee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- d) Allotment to Renounees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis in consultation with the Designated Stock Exchange, as part of the Issue and will not be a preferential allotment.
- e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

- f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

**In the event of over subscription, Allotment shall be made within the overall size of the Issue.**

#### **Allotment Advice/Refund Orders/ Unblocking of ASBA Accounts**

Our Company will issue and send/dispatch Allotment Advice, refund intimations/instructions, if applicable or demat credit of securities and/or letters of regret, by e-mail or registered post or speed post, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment Advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds/unblocking of fund beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

#### **Payment of Refund**

##### **Mode of making refunds**

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following

modes:

- (a) **Unblocking amounts blocked using ASBA facility-** The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.
- (b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“**MICR**”) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) **Direct Credit** – Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

#### **Refund payment to Non-residents**

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

#### **Allotment Advice or Demat Credit**

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

#### **Right Equity Shares in Dematerialised Form**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH**

**INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.**

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form only. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated September 29, 2001.
- b) Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated September 27, 2001.

**INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.**

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's Depository Participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable Allotment Advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

**Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" beginning on page 191 of this Draft Letter of Offer.**

#### ***Procedure for Applications by certain categories of Investors***

##### **Investment by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions or restrictions as specified by SEBI and RBI in this regard.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

##### **Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)**

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificates from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

##### **Investment by AIFs, FVCIs, VCFs and FDI route**

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI



(Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("SEBI AIF Regulations") prescribe, among other things, the investment restrictions on AIFs.

**As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.**

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

**Applications will not be accepted from FPIs in restricted jurisdictions.**

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹2 lakhs.

#### **Investment by NRIs**

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO counts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with Press Note 3 of 2020, the FDI Policy ("**Press Note**") has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the Press Note whether or not an issuance of the Right Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

#### **Investment by Mutual Funds**

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Procedure for applications by Systemically Important NBFCs**

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

### **Payment by stock invest**

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 05, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

### **Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*"Any person who:*

- i. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- ii. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- iii. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447. "*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

### **Disposal of Applications and Application Money**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date and refunded in the respective bank accounts from which Application Money was received on or before T+1 day (T being the date of finalisation of Basis of Allotment) In case of failure to do so, our Company shall pay interest at

such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

### **Utilization of Issue Proceeds**

Our Board of Directors declares that:

- a) All monies received out of the Issue shall be transferred to a separate bank account;
- b) Details of all monies utilized out of the Issue referred to in clause (a) above shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- c) Details of all unutilized monies out of the Issue referred to in clause (a) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

### **Undertakings by our Company**

Our Company undertakes the following:

- a) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- c) The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- e) No further issue of securities shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription, etc. other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
- f) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- g) Adequate arrangements shall be made to collect all ASBA Applications.
- h) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- i) As on date our Company does not have any convertible debt instruments.
- j) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- k) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

### **Minimum Subscription**

Our Promoter vide its letter dated September 30, 2024 (the “**Subscription Letter**”), has undertaken to: (a) subscribe, to the full extent of its Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in its favour by any Promoter Group member or may renounce its Rights Entitlements in part or full to the Promoter Group members; and (b) subscribe for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue. Such subscription, if any, to be made by us, shall be in accordance with Regulation 3 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended (the “**Takeover Code**”) and the exemption under Regulation 10(4) of Takeover Code. Further, such subscription shall not result in breach of minimum public shareholding requirement stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 and the Securities Contracts (Regulation) Rules, 1957, as amended.

Since our Promoter has decided to subscribe to the full extent of their Rights Entitlements or renounce its Rights Entitlements in part or full to the Promoter Group members as permissible by law, the minimum subscription criteria provided under Regulation 86 (1) of the SEBI ICDR Regulations will not apply.

### **Filing**

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since the size of this Issue falls above this threshold, this Draft Letter of Offer has been filed with BSE and with SEBI.

### **Withdrawal of the Issue**

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

### **Investor Grievances, Communication and Important Links**

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "**Risk Factors**" beginning on page 22 of this Draft Letter of Offer.

All enquiries in connection with this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "[●]" on the envelope to the Registrar at the following address:

#### **Bigshare Services Private Limited**

Office No. S6-2, 6th Floor,

Pinnacle Business Park,

Next to Ahura Centre,

Mahakali Caves Road,

Andheri (East) Mumbai 400 093

**Telephone:** +91 22 6263 8200

**Email:** [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com)

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

**Investor grievance e-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Contact Person:** Suraj Gupta  
**SEBI Registration No.:** INR000001385  
**Validity of Registration:** Perpetual

In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar [www.bigshareonline.com](http://www.bigshareonline.com). Further, the helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 6263 8200/22.

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: [www.bigshareonline.com](http://www.bigshareonline.com)
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company i.e. [www.bigshareonline.com](http://www.bigshareonline.com)
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable: [www.bigshareonline.com](http://www.bigshareonline.com) and
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders [●]

The Issue will remain open for minimum period of 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("DPIIT"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("FDI Policy"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DPIIT issues an updated circular. Further, the sectoral cap applicable to the sector in which our Company operates is 100% which is permitted under the automatic route.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the issue as an incorporated non-resident must do so in accordance with the FDI Policy and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any

approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

*The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

## **SECTION VIII – STATUTORY AND OTHER INFORMATION**

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.



## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these documents for inspection referred to hereunder, will be made available at our Registered Office between 10:30 am to 5:00 pm on all working days from the date of this Draft Letter of Offer until the Issue Closing Date.

### A. Material Contracts for the Issue

1. Registrar Agreement dated September 30, 2024 between our Company and the Registrar to the Issue.
2. Issue Agreement dated September 30, 2024 between our Company and the Lead Manager
3. Bankers to the Issue Agreement dated [•] among our Company, the Registrar to the Issue and the Bankers to the Issue.
4. Monitoring Agency Agreement dated [•] between our Company and the Monitoring Agency.

### B. Material Documents in Relation to the Issue

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation dated November 19, 1986 under the name “Sunshield Chemicals Private Limited”
3. Fresh Certificate of Incorporation dated May 28, 1992 under the name of “Sunshield Chemicals Limited”.
4. Copy of Prospectus in respect of the initial public offering of Equity Shares by our Company.
5. Draft Letter of Offer dated May 24, 2006 and Letter of Offer dated November 03 2006 issued pursuant to the first rights issue of our Company
6. Copy of the Letter of Offer dated March 11, 2005 issued by the Acquirers in respect of the Open Offer to the shareholders of Sunshield Chemicals Limited
7. Copy of the Letter of offer dated November 27, 2012 issued by the Acquirers in respect of the Open Offer to the shareholders of Sunshield Chemicals Limited
8. Copy of the Draft Letter of Offer dated October 26, 2021 and Letter of Offer dated November 30, 2021 issued by the Acquirers in respect of the Open Offer to the shareholders of Sunshield Chemicals Limited.
9. Resolution of the Board of Directors at its meeting held on August 09, 2024 approving the Rights Issue.
10. Circular Resolution of the Board of Directors dated September 30, 2024 approving and adopting the Draft Letter of Offer.
11. Resolution of the Board of Directors dated [•] approving and adopting the Letter of Offer.
12. Resolution of the Rights Issue Committee of the Board of Directors dated [•], finalizing the terms of the Issue including Issue Price, Record Date and Rights Entitlement Ratio.
13. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Independent Chartered Account, Statutory Auditor, Bankers to our Company, Bankers to the Issue, Lead Manager, Legal Advisor, Monitoring Agency and the Registrar to the Issue for inclusion of their named in this Draft Letter of Offer to act in their respective capacities.

14. Consent letter dated September 30, 2024, from our Statutory Auditors, namely, CNK & Associates LLP, Chartered Accountants, to include their name in this Draft Letter of Offer, as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the 2023 Audited Consolidated Financial Statements, the audit reports in respect of the 2023 Audited Consolidated Financial Statements, and the reports issued by them, and the statement of special tax benefits dated September 30, 2024, included in this Draft Letter of Offer.
15. Copy of Audit Consolidated Financial Statement (Report) of our Company for the financial year 2023 - 2024.
16. Limited Review Report of our Company for 3 months period ending on June 30, 2024.
17. Annual Reports of the Company for the past three years.
18. Statement of Tax Benefits dated September 30, 2024 issued by Statutory Auditor, included in this Draft Letter of Offer.
19. Tripartite Agreement dated September 29, 2001 between our Company, NSDL and the Registrar to the Company.
20. Tripartite Agreement dated September 27, 2001 between our Company, CDSL and Registrar to the Company.
21. In-principal approval issued by the BSE dated [•].
22. Due diligence certificate dated [•] addressed to SEBI from the Lead Manager.
23. SEBI observation letter number [•] dated [•].

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

## DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/- \_\_\_\_\_

**Mr Jeet Malhotra**

*Managing Director and CEO*

**Date:** September 30, 2024

**Place:** *Mumbai*

## DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

Sd/- \_\_\_\_\_

**Mr Anand Parihar**

*Non-Executive Director*

**Date:** September 30, 2024

**Place:** *Mumbai*

## DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/- \_\_\_\_\_

**Mrs Maya Parihar Malhotra**

*Chairperson & Non-Executive Director*

**Date:** September 30, 2024

**Place:** *Mumbai*

## DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/- \_\_\_\_\_

**Mr Ranjal Laxmana Shenoy**

*Non-Executive - Independent Director*

**Date:** September 30, 2024

**Place:** *Mumbai*

## DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/- \_\_\_\_\_

**Mrs Aruna Soman**

*Non-Executive - Independent Director*

**Date:** September 30, 2024

**Place:** *Mumbai*

## DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/- \_\_\_\_\_

**Mr Ajit Shah**

*Non-Executive - Independent Director*

**Date:** September 30, 2024

**Place:** *Mumbai*



## DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/- \_\_\_\_\_

**Mr Cyrus Poonevala**

*Non-Executive - Independent Director*

**Date:** September 30, 2024

**Place:** *Mumbai*

## DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

Sd/- \_\_\_\_\_

**Mr Ashish Kumar Agarwal**

*Chief Financial Officer*

**Date:** September 30, 2024

**Place:** *Mumbai*