



## MAXIMUS INTERNATIONAL LIMITED

CIN: L51900GJ2015PLC085474

Our Company was incorporated pursuant to a certificate of incorporation dated December 22, 2015 issued by the Registrar of Companies ("RoC"), Gujarat under the provisions of the Companies Act, 2013, bearing Registration Number 085474. For further details, please see "History and Certain Corporate Matters" beginning on page no. 108 of this Draft Red Herring Prospectus.

**Registered Office:** 504A, OZONE, Dr. Vikram Sarabhai Marg, Vadi-wadi, Vadodara 390003, Gujarat.  
**Tel No.:** +91 265 2345321; **Email:** info@maximusinternational.in; **Website:** www.maximusinternational.in  
**Contact Person:** Ms. Dharati Shah, Company Secretary and Compliance Officer.

### OUR PROMOTER: OPTIMUS FINANCE LIMITED

**FURTHER PUBLIC ISSUE OF UPTO [●] EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF MAXIMUS INTERNATIONAL LIMITED ("MIL" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER SHARE (INCLUDING SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING TO ₹ 2,700 LAKHS ("THE ISSUE"). THE ISSUE WILL CONSTITUTE [●]% OF THE FULLY DILUTED POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●], ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●] AND VADODARA EDITION OF THE GUJARATI DAILY NEWSPAPER [●] (GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE THE REGISTERED OFFICE OF OUR COMPANY IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST ONE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") (THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON ITS WEBSITE.

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

The Issue is being made through the Book Building Process, in terms of Regulation 129(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (the "SEBI ICDR Regulations"), where in 50% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and 50% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable law. All potential Bidders are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank account (including UPI ID for RIBs using UPI Mechanism), in which the corresponding Bid Amounts will be blocked by the SCSBs or the Sponsor Bank, as applicable. For details, please see "Issue Procedure" on page no. 247 of this Draft Red Herring Prospectus.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (SEBI), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page no. 19 of this Draft Red Herring Prospectus.

### COMPANY'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares are listed on BSE. Our Company has received an "in-principle" approval from BSE for the listing of the Equity Shares pursuant to letter dated [●]. For the purposes of the Issue, the Designated Stock Exchange shall be BSE. A copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance under Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Issue Closing Date, please see "Material Contracts and Documents for Inspection" on page no. 310 of this Draft Red Herring Prospectus.

### BOOK RUNNING LEAD MANAGER

### REGISTRAR TO THE ISSUE



**ARYAMAN FINANCIAL SERVICES LIMITED**  
 60, Khatau Building, Ground Floor  
 Alkesh Dinesh Modi Marg, Fort  
 Mumbai – 400 001  
**Tel:** +91 – 22 – 6216 6999  
**Email:** ipo@afsl.co.in  
**Website:** www.afsl.co.in  
**Investor Grievance Email:** feedback@afsl.co.in  
**Contact Person:** Mr. Deepak Biyani / Ms. Jyothi Shetty  
**SEBI Registration No.:** INM000011344

**BIGSHARE SERVICES PRIVATE LIMITED**  
 1<sup>st</sup> Floor, Bharat Tin Works Building  
 Makwana Road, Marol  
 Andheri East, Mumbai – 400 059  
**Tel:** +91 – 22 – 6263 8200 / 6263 8280  
**Email:** ipo@bigshareonline.com  
**Website:** www.bigshareonline.com  
**Investor Grievance Email:** investor@bigshareonline.com  
**Contact Person:** Mr. Ashish Bhope  
**SEBI Registration No.:** INR000001385

### BID / ISSUE PROGRAMME

**BID / ISSUE OPENING DATE : [●]**

**BID / ISSUE CLOSING DATE : [●]**

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### General Terms

Term	Description
The Company / our Company / The Issuer	Maximus International Limited, a company incorporated under the Companies Act, 2013 and having its Registered Office at 504A, OZONE, Dr. Vikram Sarabhai Marg, Vadi-wadi, Vadodara 390003, Gujarat.
“we”, “us” or “our”	Unless the context otherwise indicates or implies, our Company together with its Subsidiaries, on a consolidated basis.

#### Company related Terms

Term	Description
AoA/ Articles / Articles of Association	The articles of association of our Company, as amended from time to time
Audit Committee	The committee of the Board of Directors as our Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013
Auditors / Statutory Auditors	M/s. CNK & Associates, LLP, Chartered Accountants, being the current Statutory Auditors of our Company.
Board of Directors / Board	The Board of Directors of Maximus International Limited, including all duly constituted Committees thereof.
Chief Financial Officer/ CFO	Chief Financial Officer of our Company is Mr. Milind Joshi.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company is Ms. Dharati Shah.
Consolidated Restated Financial Statements	The financial information of the Company which comprises of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2021, 2020 and 2019, the Restated Consolidated Statement of Profit and Loss and the Restated Consolidated Cash Flow Statement for the years ended 2021, 2020 and 2019 and the related notes, schedules and annexures thereto included in this Draft Red Herring Prospectus, which have been prepared in accordance with Ind AS read with Section 133 of the Companies Act, 2013, and restated in accordance with the SEBI ICDR Regulations.
Director(s)	Director(s) of Maximus International Limited, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company
Group Company	Companies (other than our Promoter and our Subsidiaries) with which there were related party transactions as disclosed in the Consolidated Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “ <i>Our Group Company</i> ” on page no. 132 of this Draft Red Herring Prospectus.
Independent Director(s)	The non-executive, independent director(s) on our Board. For details of our Independent Directors, see “ <i>Our Management</i> ” on page no. 112 of this Draft Red Herring Prospectus.
ISIN	International Securities Identification Number. In this case being INE544W01013
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations as disclosed in “ <i>Our Management</i> ” on page no. 112 of this Draft Red Herring Prospectus.
Managing Director	Managing Director of our Company
Materiality Policy	Policy adopted by our Company, in its Board meeting held on August 13, 2021, for identification of group companies, material creditors and material litigations.
MOA / Memorandum / Memorandum of Association	The memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of Directors as our Company’s Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

Term	Description
Promoter(s) / Corporate Promoter	Optimus Finance Limited
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as disclosed in “ <i>Our Promoter and Promoter Group</i> ” on page no. 125 of this Draft Red Herring Prospectus.
Registered Office	The Registered Office of our Company situated at 504A, OZONE, Dr. Vikram Sarabhai Marg, Vadi-wadi, Vadodara 390003, Gujarat.
Registrar of Companies / RoC	Registrar of Companies, Ahmedabad at Gujarat situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad 380013, Gujarat.
Stakeholders’ Relationship Committee	The committee of the Board of Directors as our Company’s Stakeholders’ Relationship Committee.
Subsidiaries	The Subsidiaries of our Company namely Maximus Global FZE, MX Africa Limited, Maximus Lubricants LLC and Quantum Lubricants (E.A.) Limited and as disclosed in “ <i>Our Subsidiaries</i> ” on page no. 135 of this Draft Red Herring Prospectus.

### Issue Related Term

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Application Form.
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue to successful Bidders.
Allotment Advice	A note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottees	The successful Bidder to whom the Equity Shares are being / have been allotted.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by a Bidder to make a Bid authorizing an SCSB to block the Bid Amount in the specified Bank Account maintained with such SCSB and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism.
ASBA Account	Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an RIB which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism.
ASBA Bidder / Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form unless stated or implied otherwise.
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Bidders and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Company	Such banks which are disclosed as Banker to our Company in “ <i>General Information</i> ” on page no. 44 of this Draft Red Herring Prospectus.
Banker(s) to the Issue	Collectively, Escrow Collection Bank, Public Issue Bank, Sponsor Bank and Refund Bank, as the case may be, which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Banker to the Issue Agreement is entered and in this case being [●].
Banker(s) to the Issue and Sponsor Bank Agreement	Agreement dated [●], entered into between our Company, Book Running Lead Manager, the Registrar to the Issue, Banker to the Issue and Sponsor Bank for collection of the Bid Amount(s) on the terms and conditions thereof.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in “ <i>Issue Procedure</i> ” beginning on page no. 247 of this Draft Red Herring Prospectus
Bid	Indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, to subscribe to or purchase the Equity Shares at a Price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form.  The term “Bidding” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case

Term	Description
	of Retail Individual Bidders Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIB and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Issue.
Bid cum Application Form	ASBA Form
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid / Issue Closing Date	[●], the date after which the Designated Intermediaries will not accept any Bids and which shall be notified in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and the regional edition of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of the State of Gujarat, where the Registered Office of our Company is situated) and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations, 2018 and also intimated to SCSBs, the Sponsor Bank and the Designated Intermediaries.
Bid / Issue Opening Date	[●], the date on which the Designated Intermediaries shall start accepting Bids and which shall be notified in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and the regional edition of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of the State of Gujarat, where the Registered Office of our Company is situated).
Bid / Issue Period	The period between the Bid / Issue Opening Date and the Bid / Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of this Draft Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
Bidding Centres	Centres at which Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Manager / BRLM	Book Running Lead Manager to the Issue, being Aryaman Financial Services Limited
Broker Centre	The centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms (in case of RIBs only ASBA Forms under UPI) to a Registered Broker.  The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> )
CAN / Confirmation of Allocation Note	The notice or intimation of allocation of the Equity Shares sent to successful Investors, who have been allocated the Equity Shares, after approval of the Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price will not be finalized and above which no Bids will be accepted, including any revisions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant” or “CDP	A depository participant registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI as per the list available on the website of BSE
Collecting Registrar and Share Transfer Agents / CRTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI
Cut-Off Price	Issue Price, finalised by our Company, in consultation with the BRLM, which shall be any price within the Price Band.

Term	Description
	Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation and bank account details and UPI ID wherever applicable.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> )
Designated CRTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> )
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIBs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus, and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediary(ies)	<p>In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.</p> <p>In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, Registered Brokers, CDPs and CRTAs.</p> <p>In relation to ASBA Forms submitted by NIBs, Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, SCSBs, Registered Brokers, the CDPs and CRTAs.</p>
Designated Stock Exchange	BSE Limited
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated August 23, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda and corrigenda thereto.
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares.
First or Sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of join Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revisions thereof, at or above which the Issue Price will be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
Fresh Issue / Issue	The further public issue of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ 2,700 lakhs.
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchange and the BRLM

Term	Description
Issue Agreement	The Memorandum of Understanding dated August 14, 2021, entered amongst our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	₹ [●] per Equity Share, being the final price within the Price Band, at which Equity Shares will be Allotted to successful Bidders.  The Issue Price will be decided by our Company, in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus.
Issue Proceeds	The gross proceeds of the Issue which shall be available to our Company, based on the total number of Equity Shares Allotted at the Issue Price. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” on page no. 59 of this Draft Red Herring Prospectus.
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism.
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Issue Price.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds / Net Issue Proceeds	Proceeds of the Issue less the Issue related expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” beginning on page no. 59 of this Draft Red Herring Prospectus.
Non-Institutional Bidders/ NIBs	All Bidders including FPIs that are not Retail Individual Bidders and who have Bid for Equity Shares for a cumulative amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs, QFIs other than Eligible QFIs)
Non-Institutional Portion	The Portion of the Issue being 50% (not less than 15%) of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.
Non-Resident or NR	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs
Price Band	The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof.  (i) The Price Band will be decided by our Company in consultation with the BRLM, and (ii) the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM, and will be advertised, at least one Working Days prior to the Bid/Issue Opening Date, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and the regional edition of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of the State of Gujarat, where the Registered Office of our Company is situated), and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Board of Directors in consultation with the Book Running Lead Manager, will finalise the Issue Price.
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account	A bank account to be opened under section 40(3) of the Companies Act, 2013 to receive monies from the ASBA Accounts and (in case of RIBs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts of RIBs, as applicable, on the Designated Date
Public Issue Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Public Issue Account will be opened, in this case being [●]
Qualified Institutional	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR

<b>Term</b>	<b>Description</b>
Buyers or QIBs	Regulations.
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account	The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount shall be made.
Refund Bank	The bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Book Running Lead Managers and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar to the Issue Agreement	The Memorandum of Understanding dated August 14, 2021 entered amongst 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
Registrar to the Issue /Registrar	Bigshare Services Private Limited
Retail Individual Bidder(s) / RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 2,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Issue being 50% (not less than 35%) of the Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis
Revision Form	The form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s).  Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can withdraw or revise their Bids until Bid/Issue Closing Date.
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	The Banker(s) to the Issue registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchange and the NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI, the sponsor bank in this case being [●]
Syndicate or members of the Syndicate	Book Running Lead Manager and the Syndicate Members
Syndicate Agreement	The agreement to be entered amongst our Company, the Book Running Lead Manager, the Syndicate Members and the Registrar to the Issue, in relation to collection of Bids by the members of the Syndicate
Syndicate Members	Intermediaries registered with SEBI who is permitted to carry out activities as an underwriter, namely, [●]
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriter	[●]



Term	Description
Underwriting Agreement	The agreement to be entered amongst our Company and the Underwriter to be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC.
UPI	Unified Payments Interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, Circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by an RIB to make a Bid in the Issue in accordance the UPI Circulars to make an ASBA Bid in the Issue.
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Gujarat are open for business; provided however, with reference to (i) announcement of Price Band; and (ii) Bid / Issue Period, "Working Day" shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Gujarat are open for business; and with reference to the time period between the Bid / Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

#### Technical / Industry related Terms

Term	Description
ASEAN	Association of Southeast Asian Nations
B2B	Business-to-Business
CIF	Cost, Insurance & Freight
CBG	Compressed Biogas
COVAX	The COVID-19 Vaccines Global Access Facility
CBM	Condition Based Maintenance
DEPF	Direction of Studies and Financial Forecasts
EU	European Union
EBP	Ethanol Blended Petrol
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) is a measure of a company's operating performance. Essentially, it's a way to evaluate a company's performance without having to factor in financing decisions, accounting decisions or tax environments.
G20	Intergovernmental forum comprising 19 countries and the European Union (EU)
GAIL	Gas Authority of India Ltd
GTL	Gas-to-Liquid Technology
GMO	Genetically Modified Organisms
HP	Horse Power
IEA	International Energy Agency
KL	Kiloliter
MT	Metric Ton
MMT	Metric Million Tonnes

Term	Description
MEA countries	Countries in The Middle East and Africa
mb/d	Millions of Barrels per Day
OECD	The Organization for Economic Co-operation and Development
OEM	Original Equipment Manufacture
PCMO	Passenger Car Motor Oils
PVC	Polyvinyl Chloride
PO	Purchase Order
PI	Performa Invoice
R&D	Research and Development
UAE	United Arab Emirates
Viscosity	Viscosity is used to measure how thick and sticky the fluid is under certain conditions, which is one of the most important factors to be considered when selecting lubricants. It is understood that a high viscosity means more thick and sticky and does not determine the quality of oil. Viscosity measures the resistance to flow of any liquid. The higher the viscosity, the thicker the oil.
WEO	World Economic Outlook

### Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Category I Foreign Portfolio Investor(s) / Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Foreign Portfolio Investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant’s beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013, as amended from time to time, read with the rules, regulations, clarifications and modifications thereunder.
COVID-19	The novel corona virus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation
CSR	Corporate Social Responsibility
CST	Central Sales Tax
CY	Calendar Year
DIN	Director Identification Number
DP	Depository Participant, as defined under the Depositories Act 1996

Term	Description
DP ID	Depository Participant's identification
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended from time to time.
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FPO	Further Public Issue / Follow-on Public Issue
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods & Services Tax
HNIs	High Networth Individuals
HUF	Hindu Undivided Family
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
I.T. Act	Income Tax Act, 1961, as amended from time to time
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KM / Km / km	Kilo Meter
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended from time to time.
MoF	Ministry of Finance, Government of India
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NACH	National Automated Clearing House
NBFC	Non-banking financial company
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NRE Account	Non Resident External Account
NRIIs	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited

<b>Term</b>	<b>Description</b>
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 60.00% by NRIs including overseas trusts, in which not less than 60.00% 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
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
Rupees / Rs. / ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time.
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
SEBI LODR Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
TAN	Tax deduction account number
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account
US/United States	United States of America

<b>Term</b>	<b>Description</b>
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

## CERTAIN CONVENTIONS AND PRESENTATION OF FINANCIAL

### Certain Conventions

All references to “**India**” contained in this Draft Red Herring Prospectus are to the Republic of India. All references in this Draft Red Herring Prospectus to the “**U.S.**”, “**USA**” or “**United States**” are to the United States of America. All references in this Draft Red Herring Prospectus to “**Kenya**” are to the city of Republic of Kenya in East Africa. All references in this Draft Red Herring Prospectus to “**Sharjah**” and “**Ras Al Khaimah**” are to the cities in the United Arab Emirates, respectively.

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

In this Draft Red Herring Prospectus, our Company has presented numerical information in “lakhs” units. One lakh represents 1,00,000.

This Draft Red Herring Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

### Financial Data

Unless stated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Consolidated Restated Financial Statements. Certain additional financial information pertaining to our Group Company and Subsidiaries is derived from their respective financial statements. The Consolidated Restated Financial Statements included in this Draft Red Herring Prospectus are as at and for the Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019 and have been prepared in accordance with Ind AS, Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 and the guidance notes issued by ICAI. For further information, see “*Financial Information*” beginning on page no. 139 of this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Red Herring Prospectus are to a calendar year.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on page nos. 19, 87 and 194 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Consolidated Restated Financial Statements of our Company.

### Currency and Units of Presentation

All references to:

- “**Rupees**” or “**₹**” or “**INR**” or “**Rs.**” are to the Indian Rupee, the official currency of India;
- “**USD**” or “**US\$**” are to the United States Dollar, the official currency of the United States;
- “**AED**” are to United Arab Emirate dirham, the official currency of the United Arab Emirates; and
- “**Kshs**” or “**KES**” are to Kenyan shilling is the official currency of the Republic of Kenya.

## Exchange Rates

This Draft Red Herring Prospectus contains conversion 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 as of the dates indicated, information with respect to the exchange rate between the Indian Rupee and other currencies:

Currency	Exchange rates as on March 31,		
	2021	2020	2019
1 AED	19.993	20.536	18.8893
1 Kshs or KES	0.66997	0.7162	-

Source: <https://www.xe.com/currencyconverter> and <https://www.currency-converter.org.uk/currency-exchange-rates.html>

## Definitions

For definitions, please see “*Definitions and Abbreviations*” on page no. 1 of this Draft Red Herring Prospectus. In the Section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page no. 265 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Red Herring Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Further, the extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, “*Basis for Issue Price*” on page no. 64 of this Draft Red Herring Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page no. 19 of this Draft Red Herring Prospectus.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although 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.

Further the 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 India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Inability to identify the new premises may adversely affect the operations, finances and profitability of the Company;
- Inability to identify or effectively respond to consumer needs, expectations or trends in a timely manner;
- Ongoing COVID-19 pandemic;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects;
- Volatility of Loan interest rates and inflation;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with subsidiaries and other related parties;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities; and
- Failure to successfully upgrade our products and service portfolio, from time to time.

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 19, 87 and 194 of this Draft Red Herring Prospectus, respectively.

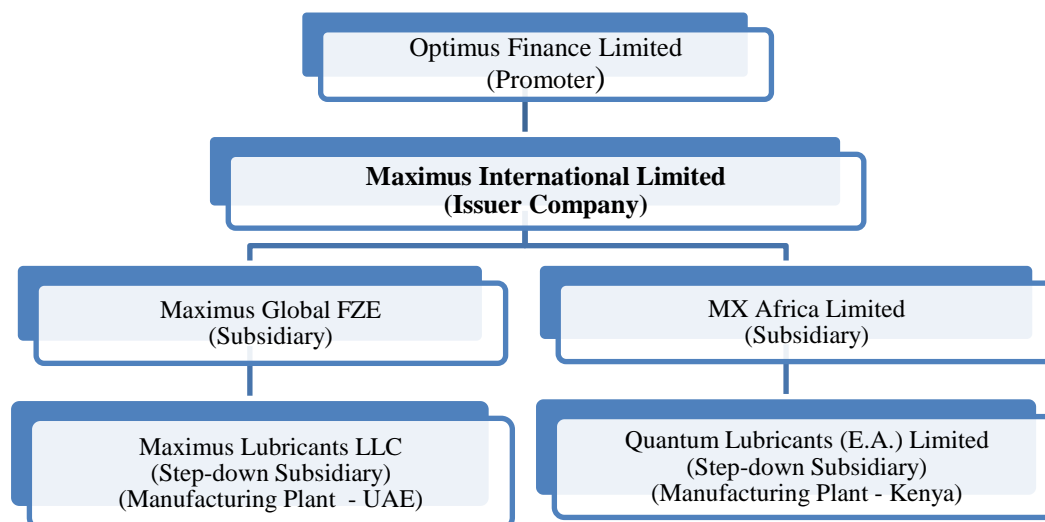


Neither our Company, our Directors, our Promoter, the BRLM nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II – OFFER DOCUMENT SUMMARY

### A. a. Summary of Business

We are a manufacturer, importer and exporter of lubricants, different types of base oils and other petro-chemical products used mainly in industries such as automotive, metal working, refrigeration, electrical, and paint. Our company on a standalone basis is primarily a merchant exporter and sourcing company and being the parent company of our global lubricant operations owns, our subsidiary manufacturing set ups in Kenya and UAE.



For further details, please see “*Our Business*” on page no. 87 of this Draft Red Herring Prospectus.

### b. Summary of Industry

The Indian lubricants market was valued at over 2,610 kiloton in 2020, and the market is projected to register a CAGR of more than 1.5%. Base Oil demand in India grew at a CAGR of 6-7% during 2015-2019 and is anticipated to achieve significant growth rate. The annual consumption of virgin grade polymers for the year 2017-18 was 15.9 Million Tonnes. Demand for Plastics in India is currently growing at an average rate of 8.9% for the past 4 years (2013-14 to 2017-18). It is expected to reach 24 Million Ton by 2022-23 and 35 Million Ton by 2027-28. Further, Plastic additives market revenues are projected to grow at a CAGR of 14% during 2014-19 due to increasing demand from end-user markets for plastics, such as packaging, construction and automobiles.

### B. Our Promoter

The Promoter of our Company is Optimus Finance Limited.

### C. Size of the Issue

The Issue is a further public offer of up to [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating up to ₹ 2,700 lakhs.

### D. Object of the Issue

Our Company intends to utilise the Net Proceeds of the Issue (“Net Proceeds”) of ₹ [●] lakhs for financing the objects as set forth below:

(₹ in lakhs)

Sr. No.	Particulars	Estimated amount
1	Funding Working Capital requirements	2,293.48
2	General Corporate Purpose <sup>(1)</sup>	[●]
	<b>Total</b>	<b>[●]</b>

(1) To be determined on finalisation of the Issue Price and updated in the Prospectus. The aggregate amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

#### E. Pre-Issue Shareholding of our Promoters and Promoter Group

The equity shareholding of our Promoter and the Promoter Group as on the date of this Draft Red Herring Prospectus and the percentage of pre-Issue equity share capital is set forth below:

Category of Promoter	Pre-Issue	
	No. of Equity Shares	Percentage of pre-issue capital (%)
<b>1. Promoter</b>		
Optimus Finance Limited <sup>(1)</sup>	80,00,000	63.63%
<b>2. Promoter Group (as defined by SEBI (ICDR) Regulations)</b>	-	-
<b>3. Other Persons, Firms or Companies whose shareholding is aggregated for the purpose of disclosing in the Prospectus under the heading “Shareholding of the Promoter Group”.</b>	-	-
<b>Total Promoter &amp; Promoter Group Holding</b>	<b>80,00,000</b>	<b>63.63%</b>

(1) 12 shares are held by 6 representative nominee shareholders (2 shares each) of OFL.

#### F. Summary of Consolidated Restated Financial Statement

(₹ in lakhs)

Particulars	Consolidated Restated		
	As at and for the year ended March 31,		
	2021	2020	2019
Share Capital	1,257.20	1,257.20	1,257.20
Net Worth	2,121.40	1,929.52	1,646.12
Revenue from Operations	5,247.06	3,074.43	5,725.21
Profit after Tax attributable to the owners of the Company	311.36	249.81	186.68
Basic and Diluted EPS	2.48	1.99	1.48
Net Asset Value Per Share (₹)	16.87	15.35	13.09
Total Borrowings	646.56	505.84	143.56

G. The Consolidated Restated Financial Information do not contain any auditor qualifications requiring adjustments.

#### H. Summary of Outstanding Litigation are as follows

Summary of outstanding litigations where our Company, Promoter, Directors and our Subsidiary are parties to certain legal proceedings:

(₹ in lakhs)

Sr. No.	Nature of Case	No. of Outstanding cases	Amount in dispute/demanded to the extent quantifiable <sup>(1)</sup>
<b>I.</b>	<b>Litigations filed by our Promoter</b>		
(a)	Income Tax	3	10.87

(1) To the extent quantifiable excluding any interest and penalty leviable thereon

For further details, please see “Outstanding Litigation and Material Developments” on page no. 222 of this Draft Red Herring Prospectus.

I. In relation to risks involving our Company, please see “Risk Factors” on page no. 19 of this Draft Red Herring Prospectus.

## J. Summary of contingent liabilities

There is no contingent liability as on March 31, 2021. For further information, please see “Financial Information” beginning on page no. 139 of this Draft Red Herring Prospectus.

## K. Summary of related party transactions

The details of related party transaction as indicated in our Consolidated Restated Financial Statements and also certified by our statutory auditors were as follows:

(₹ in lakhs)

Particulars	Consolidated Restated		
	For the year ended March 31,		
	2021	2020	2019
Salary paid	3.60	3.36	2.72
Interest Income	-	-	38.38
Interest expense	0.37	6.08	-
Rent Income	1.32	1.32	1.32
Purchase of Goods	-	-	37.62
Sale of goods	-	-	65.87
Bonus Shares Issued	-	-	370.00

For further information, please see “Annexure VI – Note 40 – Related Party Transactions” beginning on page no. 181 of this Draft Red Herring Prospectus.

L. There have been no financing arrangements whereby our Promoter, Promoter Group, our Directors and their relatives (as defined in the Companies Act, 2013), have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

## M. The weighted average price of acquisition of Equity Shares by our Promoter in last one year is:

Our Promoter has not acquired shares in last one year.

## N. The average cost of acquisition of Equity Shares by our Promoter is:

Name of the Promoter	Shares Held	Average cost (₹)
Optimus Finance Limited	80,00,000 <sup>(1)</sup>	8.31

<sup>(1)</sup> 12 shares are held by 6 representative nominee shareholders (2 shares each) of OFL.

## O. Details of Pre-IPO Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.

## P. Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

## Q. Split or consolidation of Equity Shares in the last one (1) year

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

## SECTION III – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described below are not the only ones relevant to us. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on page nos. 87 and 194, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See “Forward-Looking Statements” on page no. 14 of this Draft Red Herring Prospectus.*

*Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further details, see “Financial Information” on page no. 139 of this Draft Red Herring Prospectus.*

*In this section, unless the context otherwise requires, a reference to the “Company” is a reference to Maximus International Limited on a standalone basis, while any reference to “we”, “us” or “our” is a reference to Maximus International Limited & its Subsidiaries, as applicable, on a Consolidated basis. Unless otherwise stated, the financial data in this chapter is derived from our Consolidated Restated Financial Statements for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019 as included in “Financial Information” on page no. 139 of this Draft Red Herring Prospectus.*

**Materiality** The Risk factors have been determined and disclosed on the basis of their materiality. The following factors have been considered for determining the materiality:

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

### **Internal Risk Factors**

**1. There are outstanding litigation proceedings filed by our Company and our Promoter. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.**

There are outstanding litigation proceedings filed by our Company and our Promoter in relation to certain taxation matters. Such outstanding litigation proceedings are pending at various levels of adjudication before various tribunals and other authorities.

The summary of outstanding litigation proceedings involving our Company and our Promoter are set out below:

Sr. No.	Nature of Cases	No. of outstanding cases	Amount to the extent quantifiable (₹ in lakhs) <sup>(1)</sup>
Litigations filed by our Promoter			
1.	Income Tax	3	10.87

<sup>(1)</sup> To the extent quantifiable excluding any interest and penalty leviable thereon

For further information, see “*Outstanding Litigations and Material Developments*” beginning on page no. 222 of this Draft Red Herring Prospectus. There can be no assurance that these legal proceedings will be decided in our or our Promoter’s favor. In addition, we cannot assure you that no additional liability will arise out of these proceedings. Decisions in such proceedings adverse to our and our Promoter’s interests may have an adverse effect on our business, results of operations, financial condition and cash flows.

**2. *We rely on a limited number of customers for a portion of our revenue from operations. Significant decrease in revenue from any of those customers may adversely affect our business, results of operations and financial condition.***

A portion of our revenues from operations is derived from a limited number of key customers. In Fiscals 2019, 2020 and 2021, our top five customers contributed 83%, 59% and 61% respectively; of our gross revenue in such periods, while our single largest customer contributed 45%, 27% and 36%, respectively, of our gross revenue in such periods. Our customers typically do not enter into any long-term supply agreements with us. We deliver our products to our customers based on purchase orders raised by customers from time to time depending on their requirements. There can be no assurance that our significant customers in the past will continue to place similar orders with us in the future. A significant decrease in business from any such key customer, whether due to circumstances specific to such customer or adverse market conditions affecting the lubricant and oil industry or the economic environment generally, such as the COVID-19 pandemic, may materially and adversely affect our business, results of operations and financial condition.

While we have established long-standing relationships with several of our key customers, our relationship with our customers through agents are to a large extent dependent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries, and consistent product quality. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from affected customers and agents. We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future. If we are unable to replace any or all of such sales to key customers, our business, results of operations and financial condition may be materially and adversely affected.

**3. *Any slowdown or shutdown in our manufacturing operations, or under-utilization at our existing manufacturing facility for our lubricants products, base oils and petro-chemical products could have an adverse effect on our business, results of operations and financial condition.***

The primary raw material used in manufacturing lubricant oils is the base oil which is produced by refineries through distillation of crude oil. Apart from base oils, various types of chemical additives are used in different proportions depending upon the end application. Lubricant oils are produced by blending and mixing base oil with various kinds of additives in different combinations and quantities. We manufacture our lubricants and base oil related products in our manufacturing facility situated at Nairobi, Kenya and UAE. Our lubricant oils and base oils is dependent upon our ability to manage the manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents, severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail repair and maintenance costs and cause delays in our operations. If we are unable to repair malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. Inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to slowdown or shut-down of our operations or the under-utilization of our manufacturing facility, which in turn may have an adverse effect on our business, results of operations and financial condition.

**4. *Our major revenues are derived from Manufacturing and export sales made in the East African region, Middle East and few areas in Southeast Asia. Any change in the buying pattern of customers in these regions, their nation's policy and business framework could affect our trades and have a material adverse effect on our revenues, profits and financial condition.***

Our operations have been geographically concentrated in certain countries Kenya, Uganda, UAE, Vietnam and Turkey etc. which form part of the East African region, Middle East and developing region of Asia. Our business is therefore significantly dependent on the general economic condition and activity in these countries in which we operate along with the International, Local policies relating to lubricant & oil industry. Although investment in the oil industry in the areas in which we operate has been encouraged, there can be no assurance that this will continue. We may expand geographically, and may not gain acceptance or be able to take advantage of any expansion opportunities outside our current markets. This may place us at a competitive disadvantage and limit our growth opportunities. We may face additional risks if we undertake operations in other geographic areas in which we do not possess the same level of familiarity as competitors. If we undertake operations in different geographical locations than those currently is; we may be affected by various factors, including but not limited to:

- Adjusting our products to the new geographic area;
- Ascertaining the creditworthiness of the buyer and maintain credit terms with the same;
- Obtaining necessary Government and other approvals in time or at all;
- Failure to realize expected synergies and cost savings; and
- Attracting potential customers in a market in which we do not have significant experience.

**5. *We have not entered into any long-term agreements with our suppliers for procuring our raw materials and accordingly may face disruptions in supply from our current suppliers.***

We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers or the open market. Pricing and volumes are negotiated for each purchase order. There are no contractual commitments other than those set forth in the purchase orders. The purchase price of our raw materials generally follows market prices. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. Our Company sources base oil from public sector / private sector refineries from the respective locations, traders and also a significant quantity are imported from various countries. With regards to additives, our Company sources these from various local as well as overseas additive suppliers. Our trading business model does not require us take physical delivery of the goods imported and exported by us. We import goods on the basis of customer specific requirement and the same is transported directly from our supplier to our customer. Since, these orders are given on an order basis and according to specific requirements, no fixed agreement / MoU have been entered into between our Company and our suppliers and we typically transact on an invoice basis for each order. These suppliers provide us the products based on trust, service and the ready finance provided by us.

There can be no assurance that there will not be a significant disruption in the supply of these traded goods from current sources, or, in the event of a disruption, that we would be able to locate alternative suppliers of the goods of comparable quality on terms acceptable to us, or at all. Identifying a suitable supplier involves a process that requires us to become satisfied with their quality control, consistency, responsiveness and service, financial stability and other ethical practices. If we are unable to maintain our relationship with our current suppliers it may prove difficult to obtain the same from other international and / or national players. Any delay, interruption or increased cost in the supply of our products arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term.

**6. *Our Company has not entered into any long-term contracts with any of its customers and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability.***

Our Company has developed cordial business relationships with certain customers and has been exporting our products to such customers, in the overseas market, namely in the East African and Middle East regions. However, we have not entered into any specific contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products and the orders received for such products. Our

Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of consistency of the lubricants and other oils that our Company exports, fluctuation in demand for different types of base oils and additives, ability to deliver goods in a timely manner and customer's inventory management. Although we place a strong emphasis on quality, timely delivery of our products and prompt availability of a variety range of lubricants and base oils, in the absence of contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

**7. *Registered Office and manufacturing facility are not owned by our Company and further in case of unavailability of these properties, it would impact our operations, results and financial condition adversely.***

Our Registered Office is held on leasehold basis. Additionally, manufacturing units wherein our step down subsidiaries operate from are also taken on leave and license basis. In the event such arrangements are ceased or terminated, it could adversely affect our operation unless we arrange for similar premises. The Company owns commercial office which is situated at very nearby place from the present office of the rent. Any termination of such arrangement for our manufacturing units could adversely affect our operations. We may not be able to find suitable locations in time or at all in the location required which may cease the various benefits that were reaped earlier. Also, we may have to rent or acquire office location at a rent or price which may be much higher than the prevailing market rates, which would require an immediate cash outflow. This may result in additional cost, disruption of day-to-day activities and increased rent burden which would adversely affect our financial condition. For details regarding properties taken on leave and license see "Our Business – Properties" on page no. 101 of this Draft Red Herring Prospectus

**8. *Trade Receivables form a substantial part of our current assets and net worth. Failure to manage our trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

Our business operations are working capital intensive. In order to effectively expand our products portfolio, Business arenas and also increase in the number of verticals and explore various geographical locations, along with the existing facilities we need to have access to a larger amount of liquid funds and sufficient working capital. We believe there is growing trend towards lubricants, additives and other petrochemical products. Along with the increasing demand, we expect to increase our order taking appetite thus increasing our volumes, revenues and scale of operations and we will require substantial working capital for the same. It is hence our strategy to raise funds from this issue and augment our fund based working capital capabilities. We believe that companies with high liquidity on their balance sheet would be able to better exploit market opportunities. Hence, in order to effectively operate and maximize our capacity utilization at the existing facilities we need to have access to a larger amount of liquid funds and sufficient working capital. Trade receivables form a substantial part of our current assets and net worth. The results of operations of our business are dependent on our ability to effectively manage our trade receivables. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and distributors and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them, especially since our customers are companies outside India. However, if our management fails to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

**9. *We rely on third parties, including our suppliers, for substantially all of our export and delivery of goods, and if such third parties fail to assist us in a consistent, timely and efficient manner, our business, results of operations and financial condition may be adversely affected.***

The logistical parts of our exports depend substantially upon third parties, which include our suppliers as well. We follow a low regulatory business model, where the goods imported by us, based on the order received by us, are directly delivered to our export customer through various modes of transport depending on the location. The third party delivery companies are either an independent logistic company or are part of our supplier network. We cannot assure you that such third parties will be able to continue with their services in a timely manner, or will be successful in ensuring the delivery of our products. Further, the delivery cost is generally included as part of the purchase invoice from our supplier, we cannot assure you that such third parties will be able to fulfil their obligations entirely, in a manner acceptable to us, or at all. As independent business operators, the supplier appointed logistic company may, from time to time, disagree with us and our strategies regarding the business or our interpretation of our respective rights and obligations under applicable export and custom laws in certain countries. We cannot assure you that such third parties shall not terminate their arrangements with our supplier or



for logistical services to a particular region. Also, though our imports and delivery are majorly on a cost, insurance and freight (CIF) basis, we cannot assure that the third party will be able to deliver the goods in a safe and complete manner. We may have to initiate litigation in respect of any damage, theft or irregularity of the goods during the shipment process by such third parties, and such litigation could divert the attention of our management from our operations, which could harm our business, financial condition and results of operation. Further, we cannot assure you that the outcome of any such litigation will be favorable to us. Any adverse experience of customers of such third party logistics agents, or negative publicity attracted by such agents could adversely affect our reputation and business prospects. If we are unable to establish or maintain our relationship with our suppliers and indirectly with such third parties, our business, results of operations and financial condition may be materially and adversely affected.

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

Since, the Issue size is less than ₹ 10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised from this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and our Company's management will have flexibility in applying the proceeds of the Issue and will not be subject to monitoring by any independent agency. The fund requirement and deployment mentioned in the Objects of the Issue is based on internal management estimates and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials. However, our Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. Also, in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without the Company being authorized to do so by our shareholders by way of special resolution and other compliances as applicable in this regard. Our Promoter and controlling shareholders shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

***11. The improper handling, storage or processing of raw materials or lubricants products, or any spoilage thereof, or any real or perceived contamination in our and lubricants products, could adversely affect our business, results of operations and financial condition.***

The products that we manufacture or process are subject to risks such as contamination during their manufacturing or processing, adulteration and product tampering during their transport or storage. We face inherent business risks of exposure to product liability or recall claims in the event that our products fail to meet the required quality standards. Also, apart from base oil, certain other raw materials and our products are required to be stored, handled and transported under certain safety conditions. Such risks may be controlled, but not eliminated, by adherence to good manufacturing practices and finished product testing. We have little, if any, control over proper handling once our products are transported to our customers. We face the risk of legal proceedings and product liability claims being brought by our customers or end consumers, for various reasons including for defective or contaminated products sold or services rendered. We cannot assure you that we will not experience product recalls or product liability losses in the future. Any product recall, product liability claim or adverse regulatory action may adversely affect our reputation and brand image, business, results of operations and financial condition.

***12. We are dependent on the growth prospects of the automobile industry and other industrial sectors.***

The lubricants industry is segmented in two major categories; automobile segment and industrial segment. Our revenues are directly linked to the industrial activities and automobile industry and other industrial sectors such as mining, marine, manufacturing, power generation and infrastructure. Any slowdown or lack of growth in these industrial sectors would have a material adverse impact on the demand and pricing of our products and services, which would have a material adverse impact on our results of operations and financial condition.

***13. Our acquisitions are subject to various risks, including risks relating to the integration of these acquired businesses with our existing operations. We may in the future continue to make strategic acquisitions to grow our business and further diversify service offerings. An inability to identify, complete and successfully integrate such acquisitions could adversely affect our business prospects, results of operations and financial condition.***

We have in past completed a number of acquisitions in foreign jurisdictions to grow our business, expand our business segments and service offerings, and diversify our revenue streams. Our future success may depend on our ability to acquire other businesses or technologies or enter into joint ventures that could complement, enhance or


expand our current business or offerings and services or that might otherwise offer us growth opportunities. We may face competition from other companies in pursuing acquisitions and joint ventures. Our ability to enter into such transactions may also be limited by applicable antitrust laws and other regulations in India and other jurisdictions in which we do business. To the extent that we are successful in making acquisitions, we may have to expend substantial amounts of cash, incur debt and assume loss-making divisions. We may not be able to complete such transactions due to a failure to secure financing. Any future acquisitions we undertake may be financed through cash provided by operating activities, borrowings under our credit facilities and/or other debt or equity financing. Further, future acquisitions could result in potentially dilutive issuances of our equity securities, the incurrence of debt or contingent liabilities, any of which could harm our financial condition and may have an adverse impact on the price of our Equity Shares. Any transactions that we are able to identify and complete may involve a number of risks, including but not limited to (a) the diversion of management's attention to negotiate the transaction and then integrate the acquired businesses or joint ventures; (b) the possible adverse effects on our operating results during the negotiation and integration process; (c) significant costs, charges or write-downs; (d) delays or reduction in realizing expected synergies; (e) unexpected liabilities relating to a joint venture or acquired business; and (f) our potential inability to achieve our intended objectives for the transaction. An inability to identify, complete and successfully integrate any acquired businesses into our operations, may affect our growth strategy, market share, profitability, or competitive position.

***14. The identification/ qualifying documents carry different name/spelling in case of one of our director, which may result in defamation of him resulting in the negative impact on our Company.***

Name of our Chairman and Managing Director Mr. Deepak Raval has been printed differently than his original name in Aadhaar Card, which is a government identification proof. In Aadhaar Card his name is written as Dipak Raval whereas his original name is Deepak Raval, which is correctly mentioned in identification/ qualifying documents except for Aadhaar Card. This name difference may result in defamation of him resulting in negative impact on our Company.

***15. Intellectual property rights are important to our business and we may be unable to protect them from being infringed by others which may adversely affect our business value, financial condition and results of operations***

As on the date of this Draft Red Herring Prospectus, we have not yet obtained registration for our corporate logo“

 and hence we do not enjoy the statutory protection accorded to a registered trademark. We are still in the process of making an application for our corporate logo however, there can be no assurance that our application will succeed when made. Grounds for refusal of registration may include the validity or scope of the application. If we are unable to obtain a registration, we may still continue to use the corporate logo but remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may also need to change our corporate logo which may dilute our good will and adversely affect our reputation and business and could require us to incur additional costs. Although, we believe that that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations. For further details pertaining to our intellectual property, please refer to the chapter titled “Our Business” beginning on page no. 87 of this Draft Red Herring Prospectus.

***16. Fluctuations in crude oil prices have a direct impact on the prices of lubricants and oils and may adversely affect our revenues and profits and a substantial or extended decline in international prices for crude oil would have a material adverse effect on our business.***

Movement in the price of crude oil significantly affects the price of lubricants and base oils. We currently derive majority of our revenues for the period ended March 31, 2021 from sales of lubricants, base oils and petro-chemical products. Crude oil price fluctuations will affect our results of operations in both upstream and downstream activities. Declines in crude oil prices may adversely affect our results of operations, and substantial or extended declines may have a material adverse effect on our business, results of operations and financial condition, including our liquidity and our ability to finance planned product and geographical expansion. Historically, international prices for oil have been volatile and have fluctuated widely in response to changes in many factors. Lower oil prices

may reduce the economic viability of projects planned or in development by our customers. Rapid material and/or sustained changes in oil, gas and refined product prices can impact the validity of the assumptions on which strategic decisions of our suppliers and customers are based and, as a result, the ensuing actions derived from those decisions may no longer be appropriate. A prolonged period of low oil prices may impact our ability to maintain our long-term investment program with a consequent effect on our growth rate and may impact shareholder returns, including dividends, or share price. Periods of global recession could impact the demand for our products and the prices at which they can be sold and could affect the viability of the markets in which we operate. Crude oil and natural gas prices are also subject to external factors over which our Company has no control, including product demand connected with global economic conditions, industry inventory levels, production quotas imposed by the Organization of Petroleum Exporting Countries, exchange rate fluctuations, weather-related damage and disruptions, competing fuel prices, and regional supply interruptions or fears thereof that may be caused by military conflicts, civil unrest or political uncertainty. It is not possible to forecast future oil product price movements with accuracy. Fluctuations in crude oil prices may adversely affect the prices of lubricants and other oil products which in turn may impact our results of operations and financial condition.

***17. The insurance policies we maintain may be insufficient to cover future costs and losses the incurrence or magnitude of which are unforeseen or unpredictable and could result in an adverse effect on our business operations, financial condition, results of operations and cash flows.***

We maintain insurance which we believe is typical in our industry in India and Africa and in amounts which we believe to be commercially appropriate for a variety of risks. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, particularly when the loss suffered is not easily quantifiable. Our insurance policies contain exclusions and limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future, we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. The occurrence of an event for which we are not insured, where the loss is in excess of insured limits occurs or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Further, despite such uninsured losses we may remain obligated for any financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business operations, financial condition, results of operations and cash flows.

***18. Our performance may be adversely affected if we are not successful in managing our inventory or working capital balances.***

We evaluate our inventory balances of raw materials based on expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management is a key component of the success of our business, results of operations and profitability. To be successful, we must maintain sufficient inventory levels and an appropriate product mix to meet our customer's demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding inventory adversely affects our results of operations. If our product manufacturing decisions do not accurately predict sourcing levels, customer trends or our expectations about customer needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations.

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

We are subject to laws and government regulations, including in relation to safety, health and environmental protection. These safety, health and environmental protection laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. We have made, and will continue to make capital and other expenditure to comply with environmental, health and safety standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being commenced against us, third party claims or the levy of regulatory fines. Additionally, we cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant. Any accidents at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of

operations. The loss or shutdown of our operations over an extended period of time could have an adverse effect on our business and operations.

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

We require certain statutory and regulatory licenses, registrations and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Further, in the future, we may also be required to obtain new licenses, registrations and approvals for any proposed or upcoming projects, including any expansion of existing projects. Our Company has made an Application dated August 5, 2021 bearing No. LUB/TRADING/2021/772 for obtaining the lubricating trading license, as per the provisions of the Lubricating Oils and Greases (Processing Supply & Distribution Regulation) Order, 1987 and the receipt of the same is pending as on date of this Draft Red Herring Prospectus. There can be no assurance that the relevant authorities will issue or renew such licenses, registrations and approvals in a timely manner or at all. Further, these licenses, registrations and approvals are subject to several conditions, and we cannot assure that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by us to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our operations and may have a material adverse effect on our business. For further details on the licenses obtained by us and licenses for which renewal and other applications have been made, please see the chapter titled “Government and Other Statutory Approvals” beginning on page no. 228 this Draft Red Herring Prospectus.

***21. 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.***

Our company on standalone basis does not have any manufacturing set up. We have acquired manufacturing facilities via subsidiary acquisitions in FY 19-20. Currently, our manufacturing facilities are at two locations and distributed throughout Middle East & African Countries. The cost of transportation and storage for some of the territories is higher in comparison to some of our competitors. Our competitive position with respect to being at two different location as well as to operate at optimum economy of scale in that location could impact the profitability of our operations.

Our existing manufacturing facilities are located in UAE and Kenya. The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. Our capacity utilization is also affected by the product requirements of, and procurement practice followed by, our customers. In recent times, we have made significant investments for the expansion of our manufacturing capacities and are continuing to undertake additional investments to increase our existing capacity. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently. Our capacity utilization of our consolidated manufacturing facilities was 44% in Fiscals 2021 in both Kenya and UAE. For further information, see “Our Business - Capacity and Capacity Utilization” on page no. 93 of this Draft Red Herring Prospectus. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

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

We propose to utilise the Net Proceeds for Funding Working Capital requirements of our Company and for general corporate purposes. For further details of the proposed objects of the Issue, see “Objects of the Issue” on page no. 59 of this Draft Red Herring Prospectus. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the

shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations. Further, our Promoter would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoter to provide an exit opportunity to such dissenting shareholders may deter the Promoter from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI. In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Fresh Issue, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

**23. Our Promoter will continue to have the largest shareholding with control over our business**

Our Promoter hold 63.63% of the share capital of our Company, for details of their shareholding pre and post Issue, see "Capital Structure" on page no. 50 of this Draft Red Herring Prospectus. After the completion of the Issue, our Promoter will continue to hold substantial shareholding in our Company. Our Promoter will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoter as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that the Promoter will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

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

Our Promoter and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Group Entities, and benefits deriving from their directorship in our Company. Our Promoter is interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details of our transactions or interests of our promoter / promoter group, please refer see "Our Business" and "Our Promoters and Promoter Group" and "Our Group Company", "Related Party Transactions" and "Financial Information" beginning on page nos. 87, 125, 132, 181 and 139 respectively, of this Draft Red Herring Prospectus.

**25. Any disruption in our turnover or failure to regularly grow the same may have a material adverse effect on our business, results of operations and financial condition.**

Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results and financial conditions. Due to the commodity nature of the products we sell, we may not be able to charge higher margins for our products. Hence, our business model is heavily reliant on our ability to effectively grow our turnover and manage our key processes including but not limited to order procurement, timely order execution, effectively delivery monitoring and continuous cost control of non-core activities. The net margins earned by our company are shown below:

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Total Income (₹ in lakhs)	5,312.02	3,199.87	5,850.38
PBT as a % of Total income	7.44%	9.59%	5.72%
PAT as a % of Total Income	6.65%	8.46%	3.19%

Our growth strategy is subject to and involves risks and difficulties, few of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the timelines. Further, we operate in a dynamic industry, and on account of changes in market conditions, industry dynamics or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include

limiting or foregoing growth opportunities if the situation so demands. For further details regarding the discussions and explanations of our results, please refer “*Management’s Discussions and Analysis of Financial Condition and Results of Operations*” on page no. 194 of this Draft Red Herring Prospectus.

***26. We conduct majority of our operations through our subsidiaries and further deterioration in the performance of any of our subsidiaries may adversely affect our results of consolidated operations on group basis.***

For the FY 20-21 and FY 19-20, we conducted our operations majorly through our subsidiaries, and these entities generate a significant portion of our operating income and cash flow. As on March 31, 2021 and March 31, 2020 our revenue from operations on consolidated basis was recorded at ₹ 5,247.06 lakhs and ₹ 3,074.43 lakhs respectively, which includes Revenue from operations from our company amounting to ₹ 470.18 lakhs and ₹ 498.64 lakhs respectively. Further deterioration in the performance of any of our subsidiaries may adversely affect our results of consolidated operations on group basis. We cannot assure you that our subsidiaries will generate sufficient profits and cash flows in future and also the same may or may not be ploughed back to us depending on financial requirements of our subsidiary companies from time to time.

***27. We sell our products in competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.***

We operate in a competitive atmosphere. Our competition varies by market, geographic areas and type of product. Some of our competitors may have greater resources than those available to us. While service quality, technical ability, performance records, etc. are key factors in client decisions among competitors, however, price is the deciding factor in most cases. Lubricants and Oils being a global industry, we face competition from various domestic and international importers, exporters, manufacturers and traders. Competition emerges from small as well as big players in the lubricants industry. The organized players in the industry compete with each other by providing high quality, consistent and time bound products and value-added services. We have a number of competitors offering products similar to us. We believe the principal elements of competition in our line of business are ready finance, consistent and quality products, prompt availability and strong relations with lubricant oil, base oil and petro-chemical product. We compete against our competitors by establishing ourselves as a knowledge-based trading and manufacturing company with cordial relations with various suppliers in our region of trade, which enables us to provide our customers with bulk quantities at reasonable rates to meet their requirements. Our competitors may also be able to respond more quickly and effectively than we do to new or changing opportunities, standards or customer preferences, which could result in a decline in our revenues. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

***28. We constantly face a credit risk which may in turn affect our complete buying cycle adversely.***

As a trading and manufacturing Company, our primary competence is the ability to manufacture and export and market various lubricants, base oils and petro-chemical products in bulk quantities across various developing countries across the world and hence exploit the benefits of variety, economies of scale and credit shortage in the oil industry in these markets. Our requirement of working capital is high mainly due to our ability to outright purchase and deliver huge amount of goods, thus relieving the supplier / manufacturer of its cost and storage issue. This stock is then immediately exported directly by the manufacturer / supplier to our customers according to their demand and consequent orders places with us. In order to maintain trading relations and manage competition, we provide long term credit facilities to these customers in the overseas market. Our Debtors turnover period is an average 100-160 days, depending on our relation with that customer. On the other hand, our suppliers are paid an advance amount for our purchases, to an extent of atleast 50%, depending on our trade relations and quantity of the order, leading to a high working capital gap. Our aforementioned buying cycle is heavily dependent on timely payments being received from our customers who are situated in different countries. If there is a default in payment from any of our customer or there is any unforeseeable delay in payment, our working capital cycle will be adversely affected. This may lead to our inability to extend further advance payments to our suppliers and thus lack the competitive advantage against our competitors leading to an adverse effect on our business operations and profitability.

***29. We face foreign exchange risks that could adversely affect our results of operations.***

We face foreign exchange rate risk as our entire revenues are denominated in a currency other than the Indian Rupee. Because of our foreign currency exposure, exchange rate fluctuations between the Indian Rupee and foreign currencies, namely the Kenyan Shiling (KES) and U.S. dollar, can have a material impact on our results of operations, cash flows and financial condition. The exchange rate between the Indian Rupee and U.S. dollar has

been volatile in recent periods and may continue to fluctuate in the future. Fluctuations in the exchange rates further affect us to the extent that approximately 99.99% of our purchases of lubricants, base oils and petro-chemical products are imports denominated in currency other than the Indian Rupee. We generally make a substantial advance payment towards the total purchases to our import suppliers, while the payment for the goods exported is received over a period of time ranging from 50 days to 100 days of the cost of sale. This gap results in increased risk towards foreign exchange fluctuation. As we expand our product base and also our geographical markets, we will have greater exposure to such exchange rate fluctuations. Though our company currently does not engage in any kind of hedging contracts for exchange rate fluctuations, we may enter into the same in future which may or may not adequately cover the potential loss that may arise as a result of such foreign exchange transactions. Moreover, the hedges may not cover all such exposures and are in any event subject to their own risks, including counterparty credit risk. Adverse moves in exchange rates may adversely impact our profitability and financial condition.

**30. Our Company has reported certain negative cash flows, details of which are given below. Sustained negative cash flow could impact our growth and business.**

Our Company had reported certain negative cash flows as per the Consolidated Restated Financial Statements and the same are summarised as under:

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Cash flow from Operating Activities	347.69	(477.24)	153.52
Cash flow from Investing Activities	(218.03)	(269.65)	(86.88)
Cash flow from Financing Activities	(125.04)	738.39	(56.63)

For further information, see “Consolidated Restated Financial Statements” and for further information on reasons for cash flows used in investing activities and cash flows used in financing activities, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations Cash Flows” on page no. 139 and 194, respectively. We cannot assure you that our net cash flows will be positive in the future.

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, prospects, results of operations and financial condition may be materially and adversely affected

**31. Our Company has entered into certain related party transactions and may continue to do so in the future.**

Our Company has entered into related party transactions. While our Company believes that all such transactions have been conducted on the arms length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, see “Note 40 - Related Party Transactions” and “Financial Statements” on page no. 181 and 139 of this Draft Red Herring Prospectus respectively.

**32. Our business is heavily dependent on our suppliers.**

Our sales and profitability would be adversely affected in case of any management inabilities or errors on part of our suppliers. Following are some of the important factors about our business which we do not directly have control over and are dependent on our suppliers:

- Delivery of the goods to our customer
- Quality consistency of the products and its variants
- Customisation of these products on a large scale, as required by our customers
- Errors or rollbacks in sold products creating negative goodwill and consumer litigations
- Cost competitiveness of these products

Further, being an import export trade Company concentrating in mainly in the African and Middle East region, we face the risk of our suppliers’ reducing their focus towards trade in India due to competitive pressures and other internal management decisions and hence we may not receive the necessary support from our supplier companies. Also, we face the risk of the management of our supplier companies collaborating with some other trader and thus reducing our share of supply, which we cannot ensure would be as per our required terms. Any negative

development involving our suppliers and their products, could adversely affect our business growth, profitability, results of operations and goodwill and we may not be in a position to alter or avoid such developments.

**33. *Our Company has incurred indebtedness in form of borrowings with a fixed repayment schedule as well as borrowings which are repayable on demand. This could expose us to various risks which may have an adverse effect on our business and results of operations.***

As on March 31, 2021, our company had ₹ 646.56 lakhs of outstanding debt (including current maturities) as per our Consolidated Restated Financial Statements in relation to various facilities from the bank(s) as well as other borrowings. This indebtedness includes unsecured loans of ₹ 9.74 lakhs which is taken from Promoter which may be recalled / repayable on demand. For details, please see “*Financial Indebtedness*” on page no. 216 of this Draft Red Herring Prospectus.

Any significant indebtedness in the future could have important consequences on our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements. In addition, fluctuations in market interest rates may affect the cost of our borrowings. Any conditions and restrictions imposed by such financing agreements could restrict our ability to conduct our business and operations in the manner we desire. In addition, failure to meet any conditions or obtain consents required under such financing arrangements could have adverse consequences on our business and operations.

**34. *Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations***

We may encounter problems in executing the orders in relation to our exported products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, may result in the postponement of the delivery of products or cause its cancellation. Further, even though we execute contracts with our customers, the order could be cancelled or there could be changes in scope and / or scheduled delivery of the products. Accordingly, it is difficult to predict with certainty if, when, and to what extent the delivery of the orders placed will be made. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business. In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, delay or default in payment with regard to the orders placed with us, or any material disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Any delay, modification, cancellation of order by our large customers may have material adverse effect on our financial condition and results of operations.

**35. *We could be adversely affected if we fail to keep pace with technical and technological developments.***

Our business is continually changing due to technological advances and scientific discoveries. These changes result in the frequent introduction of new products and services and significant price competition. If our products and technologies become obsolete for various factors, our business and results of operations could be adversely affected. Although we strive to maintain and upgrade our technologies, facilities and machinery consistent with current national and international standards, the technologies, facilities and machinery we currently use, may become obsolete. The cost of implementing new technologies and upgrading our manufacturing facilities could be significant, which could adversely affect our business, results of operations and financial condition. Any failure on our part to effectively address such situations, innovate and keep up with technological advancements or to successfully introduce new products and services in these areas, could adversely affect our business, results of operations, financial condition and cash flows. Further, our already existing technologies may become redundant. All these factors could adversely affect our business, results of operations, financial condition and cash flows.

**36. *Our Company may have potential conflicts of interest with our Subsidiary Companies as they have been authorized and engaged in similar line of business.***

Our Company and its Directors have interests in other companies and entities that may compete with us, including Subsidiary Companies that conduct businesses with operations that are similar to ours. For details please see “*Our Management*” and “*Our Promoter and Promoter Group*” on page nos. 112 and 125 respectively of this Draft Red Herring Prospectus. Further, our Company has not entered into any non compete agreement with these companies



and hence there can be no assurance of any conflict of interests which may arise in allocating or addressing business opportunities and strategies amongst our Company and our Subsidiary Companies in circumstances where our interests differ from theirs. In cases of conflict, our Directors may favour other Companies in which our Company has an interest. Hence, conflict of interest may occur between our business and the businesses of our Subsidiary Companies which could have an adverse effect on our business, financial condition, results of operations and Draft Red Herring Prospectus.

***37. Significant security breaches in our computer systems and network infrastructure and fraud could adversely impact our business.***

We seek to protect all the computer systems and network infrastructure in our offices from physical break-ins as well as security breaches and other disruptive problems. Our systems are potentially vulnerable to data security breaches, whether by our employees, or our service providers or others that may expose sensitive data to unauthorized persons. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and networks. To address these issues and to minimise the risk of security breaches we employ security systems, including firewalls and intrusion detection systems, conduct periodic testing for identification and assessment of potential vulnerabilities. However, these systems may not guarantee prevention of frauds, break-ins, damage and failure. A significant failure in security measures could have an adverse effect on our business. Data security breaches could lead to the loss of intellectual property or could lead to the public exposure of personal information (including sensitive financial and personal information) of our clients, investors or our employees. Any such security breaches or compromises of technology systems could result in institution of legal proceedings against us and potential imposition of penalties, which may have an adverse effect on our business and reputation.

***38. Our success largely depends on our ability to attract and retain our Key Managerial Personnel. Any loss of our Key Managerial Personnel could adversely affect our business, operations and financial condition.***

Our Company is depending significantly on the expertise, experience and continued efforts of our key managerial personnel. If one or more members of our Key Managerial Personnel are unable or unwilling to continue in his/her present position, it may be difficult to find a replacement, and business might thereby be adversely affected. Our industry requires personnel with specific technical knowledge and experience for our trading and more particularly for our international business relations. Competition for Key Managerial Personnel in our industry is intense and it is possible that our Company may not be able to retain existing Key Managerial Personnel or may fail to attract / retain new employees at equivalent positions in the future. As such, loss of Key Managerial Personnel could adversely affect our business, results of operations and financial condition. For further details on the key managerial personnel of our Company, please see “*Our Management*” beginning on page no. 112 of this Draft Red Herring Prospectus.

***39. Our inability to manage growth could disrupt our business and reduce profitability***

A principal component of our strategy is to continuously grow by expanding the size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

***40. We are required to incur substantial expenditure for our business operations and if we are not able to manage our financial requirements in the future, we may be required to obtain additional financing which may not be on terms commercially acceptable to us.***

We are required to incur substantial expenditure for conducting our business operations primarily in relation to making advance payments to our suppliers for the bulk quantities of lubricants and various base oils imported by us for our business. Also, substantial expenditure is incurred for advertisement, selling & distribution expenses, certain regulatory and legal fees required for the import and export trade and other day to day miscellaneous expenses. The actual amount and timing of our future capital requirements may differ from estimated requirements as a result of, amongst other things, unforeseen delays in obtaining orders, confirmation of required lubricants and base oil from our suppliers, price fluctuations in crude oil prices leading to change in price of lubricants and base oils, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes in the

countries of our import or export or both. If we are not able to manage our financial requirements from our internal accruals in the future, we may be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with various restrictive covenants that are generally part of such financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company, and could adversely impact the price of our Equity Share. Our ability to obtain additional financing on favorable terms, if at all, will depend on a number of factors. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all which could adversely impact our planned capital expenditure and our business.

**41. *Any disruption in our manufacturing facilities caused due to labour unrest or natural disasters may affect our results of operations.***

We consume a substantial amount of power and fuel for our business operations. Our power requirement for our manufacturing facilities is sourced through local state power grid. Our manufacturing processes require uninterrupted supply of power and fuel in order to ensure that we are able to manufacture our products. We have also installed generators in our manufacturing facilities to ensure constant supply of power. Water is procured from local municipal as well as from various local suppliers, in case of any shortage.

Hence our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, continued availability of services of external contractors, industrial accidents, earthquakes, and other natural disasters. We also need to comply with the directives of relevant government authorities. The occurrence of any or all of these could significantly affect our operating results.

## **RISK FACTORS RELATED TO EQUITY SHARES**

**42. *As a listed company, we are required to release our quarterly results for every financial year. We cannot assure you that such results will be in line with estimates or that there will not be an adverse change in our financial condition or results of operations.***

Pursuant to the SEBI Listing Regulations, we are required to announce our results as of and for the three months period ending on June 30, September 30 and December 31 of each financial year within 45 days of the quarter end, and as of and for the year ended March 31, within 60 days of the period end. We cannot assure you that such results will be in line with those estimated or historically achieved or that there will not be any material adverse change in our financial condition or results of operations. Any such material adverse change in the results could have a negative impact on the price of our Equity Shares.

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

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

**44. *Any trading closures at the BSE may adversely affect the trading price of our Equity Shares.***

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the United States. The BSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE could adversely affect the trading price of the Equity Shares.

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

Foreign ownership of Indian securities is subject to government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the Ministry of Finance, Department of Economic Affairs / RBI. Additionally, any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the Ministry of Finance, Department of Economic Affairs has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realising gains during periods of price increase or limiting losses during periods of price decline.

India's foreign direct investment policy has been recently amended by Press Note 3 of 2020, dated April 17, 2020 issued by the Department for Promotion of Industry and Internal Trade ("DPIIT") and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, stipulates that 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 will require prior approval of the GoI. 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 or purview, such subsequent change in the beneficial ownership will also require approval of the GoI. While the term "beneficial owner" is defined under the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

**46. *Investors can be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of ₹ 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

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

The price of the Equity Shares will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholder's ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

**48. *Economic developments and volatility in securities markets in other countries may cause the price of our Equity Shares to decline.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

**49. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive. Our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of Shareholders and will depend on factors that our Board and Shareholders deem relevant. We may decide to retain all our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends in the future.

## **EXTERNAL RISK FACTORS**

**50. *The continuing effect of the COVID-19 pandemic on our business and operations is highly uncertain and cannot be predicted***

The continuing effect of the COVID-19 pandemic on our business and operations is highly uncertain and cannot be predicted. In late calendar 2019, COVID-19, commonly known as "novel corona virus" was first reported in Wuhan, China. Since then, the virus has progressively spread globally too many countries. The World Health Organization declared the COVID-19 outbreak as a health emergency of international concern on January 30, 2020 and thereafter categorised the outbreak as a pandemic on March 11, 2020. In order to contain the spread of COVID-19 virus, the Government of India initially announced a 21-day lockdown on March 24, 2020, which, after being subject to successive extensions, is being relaxed currently. During the duration of the lockdown, there were several restrictions in place including travel restrictions and directive to all citizens to not move out of their respective houses unless essential. Whilst the lockdown required private, commercial and industrial establishments to remain closed, manufacturing units of essential commodities were permitted to be functional. The team members have been working from home during lockdown and have been able to execute their responsibilities and service clients without any disruption, difficulty or delay. Due to the rising number of infected cases of COVID-19 in the country, there is no certainty if additional restrictions will be put back in place or if another lockdown would be re-imposed to control the spread of the pandemic. We cannot assure you that we may not face any difficulty in our operations due to such restrictions and such a prolonged instance of lockdown may adversely affect our business, financial condition and results of operations. Further, our ability to ensure the safety of our workforce and continuity of operations while confirming with measures implemented by the central and state governments in relation to the health and safety of our employees may result in increased costs. In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Further, in the event any of our employees contact COVID-19, we may be required to quarantine our employees and shut down a part of or the entire operating facility as necessary. Risks arising on account of COVID-19 can also threaten the safe operation of our facility, loss of life, injuries and impact the wellbeing of our employees. The ultimate impact will depend on a number of factors, many of which are outside our control. These factors include the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity in India and globally, the eventual level of infections in India, and the impact of any actions taken by governmental bodies or health organisations (whether mandatory or advisory) to combat the spread of the virus. These risks could have an adverse effect on our business, results of operations, cash flows and financial condition. To the extent that the COVID19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "Risk Factors".

**51. Any change in the government policies in India or that of our import's or export's country vis-à-vis expenditure, subsidies and policies etc. in the lubricants and oil sector and also in various other FEMA rules in India could affect their ability to spend on carry on our trade, thereby affecting our business and profitability.**

Any changes in government policies in India or that of our importer's or exporter's country, relating to the lubricant and oil industry such as reduction of government expenditure, withdrawal or changes in incentives and subsidy systems, or adverse changes in crude oil prices and/or minimum support prices could have an adverse effect on the ability of various industries to spend on lubricant and speciality oil products. Our ability to freely set prices for lubricants, base oils and petro-chemical products may be restricted by the various governments and our profits may reduce. End users of our lubricants and speciality oil may seek to find ways to reduce or contain related costs. We cannot predict the nature of the measures that may be adopted by governments or private organisations or their impact on our revenues. In the event such measures result in increased costs for our import / domestic suppliers to undertake the lubricant, base oil and petro-chemical products production, their concentration in this area may reduce which could affect our supply chain. Also, if crude oil related global or Indian legislations or third party payer influence results in lower prices for our products, our overall revenues may decrease and our cash flows and profits could be adversely affected even in cases where the demand for our products increases.

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

Our Company is subject to various regulations and policies. For details see “Key Industry Regulations and Policies” beginning on page no. 102 of this Draft Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

**53. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.**

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices

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

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and neighboring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares. India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

**55. Instability in financial markets could materially and adversely affect our results of operations and financial condition.**

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide

financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

***56. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business***

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.

***57. The ability of Indian companies to raise foreign capital may be constrained by Indian law.***

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 for our projects under development 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 without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

***58. Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.***

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

***59. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements, prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Red Herring Prospectus.***

As stated in the reports of the Auditor included in this Draft Red Herring Prospectus under chapter "Consolidated Financial Statements as Restated" beginning on page no. 139 of this Draft Red Herring Prospectus. The financial statements included in this Draft Red Herring Prospectus are based on financial information that is based on the audited Consolidated financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

## SECTION IV – INTRODUCTION

### THE ISSUE

<b>Equity Shares Offered<sup>(1)</sup>:</b>	
Present Issue of Equity Shares by our Company	Up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ 2,700 lakhs.
<i>The Issue consists of:</i>	
<b>A. Non-Institutional Portion<sup>(2)</sup></b>	Up to [●] Equity Shares, aggregating up to ₹ 1,350 lakhs
<b>B. Retail Portion<sup>(2)</sup></b>	Up to [●] Equity Shares, aggregating up to ₹ 1,350 lakhs
<b>Pre and post Issue Equity Shares</b>	
Equity shares outstanding prior to the Issue	1,25,72,000 Equity Shares of face value of ₹ 10 each
Equity shares outstanding after the Issue <sup>(3)</sup>	Up to [●] Equity Shares of face value of ₹ 10 each
<b>Use of Issue Proceeds</b>	Please refer to the section titled " <i>Objects of the Issue</i> " beginning on page no. 59 of this Draft Red Herring Prospectus.

<sup>(1)</sup> *The Issue has been authorized by our Board pursuant to its resolution dated May 29, 2021 and August 13, 2021 and by our Shareholders at the annual general meeting held on July 20, 2021.*

<sup>(2)</sup> *Subject to valid bids being received at or above the Issue Price, under subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, subject to applicable laws. For details, see "Issue Procedure" on page no. 247 of this Draft Red Herring Prospectus.*

<sup>(3)</sup> *Assuming full subscription of the Issue.*

The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, please see "Issue Procedure" on page no. 247 of this Draft Red Herring Prospectus.

For details, including in relation to grounds for rejection of Bids, please see "Issue Structure" and "Issue Procedure" on page no. 245 and 247 of this Draft Red Herring Prospectus, respectively. For details of the terms of the Issue, see "Terms of the Issue" on page no. 239 of this Draft Red Herring Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

### Annexure I – Restated Consolidated Statement of Assets and Liabilities

(Amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment's	1	683.51	762.62	173.35
Intangible Assets	1	1.61	-	-
Capital Work in Progress	2	49.27	29.45	-
Investment Property	3	183.97	187.08	93.07
Goodwill	4	274.15	274.15	-
Financial Assets:				
i. Investments	5	127.32	211.39	248.70
ii. Loans	6	161.91	177.43	792.86
iii. Others Financial Assets	7	4.95	-	22.42
Other Non-Current Assets	8	0.20	0.20	0.20
<b>Total Non – Current Assets</b>		<b>1,486.89</b>	<b>1,642.32</b>	<b>1,330.60</b>
<b>CURRENT ASSETS</b>				
Inventories	9	562.87	586.86	0.02
Financial assets:				
i. Trade Receivables	10	1,550.69	1,276.42	525.93
ii. Cash & Cash Equivalents	11	104.06	99.43	107.93
iii. Bank balances other than Cash and cash equivalents	12	4.80	9.30	15.94
iv. Loans	13	525.57	343.06	153.82
v. Other Financial Assets	14	90.52	21.50	13.57
Other Current Assets	15	310.74	272.83	90.87
<b>Total Current Assets</b>		<b>3,149.25</b>	<b>2,609.40</b>	<b>908.08</b>
<b>TOTAL ASSETS</b>		<b>4,636.14</b>	<b>4,251.72</b>	<b>2,238.68</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholder's Funds</b>				
Equity Share Capital	16	1,257.20	1,257.20	1,257.20
Other Equity	17	864.20	672.32	388.92
<b>Equity Attributable to shareholders of the Company</b>		<b>2,121.40</b>	<b>1,929.52</b>	<b>1,646.12</b>
Non- Controlling Interest		804.76	762.91	-
<b>Total Equity</b>		<b>2,926.16</b>	<b>2,692.43</b>	<b>1,646.12</b>
<b>Non-Current Liabilities</b>				
Financial Liabilities:				
a) Borrowings	18	58.88	65.77	30.80
b) Other Financial Liability	19	17.07	20.92	1.80
Provisions	20	27.92	20.77	1.19
Deferred Tax Liability (Net)	21	9.82	11.24	8.78
<b>Total Non-Current Liabilities</b>		<b>113.69</b>	<b>118.70</b>	<b>42.57</b>
<b>Current Liabilities</b>				
Financial Liabilities:				



Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Borrowings	22	561.88	416.58	102.22
b) Trade Payables				
- Total outstanding dues of micro enterprises and small enterprises				
- Total outstanding dues of creditors other than micro enterprises and small enterprises	23	676.78	675.56	337.87
c) Other Financial Liabilities	24	31.20	29.50	10.55
Other Current Liabilities	25	295.86	301.70	73.19
Provisions	26	1.19	0.87	0.66
Current Tax Liabilities (Net)	27	29.37	16.38	25.50
<b>Total Current Liabilities</b>		<b>1,596.28</b>	<b>1,440.59</b>	<b>549.99</b>
<b>TOTAL LIABILITIES</b>		<b>4,636.14</b>	<b>4,251.72</b>	<b>2,238.68</b>

**Annexure II: Restated Consolidated Statement of Profit and Loss Account**

(Amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>INCOME</b>				
Revenue from Operations	28	5,247.06	3,074.43	5,725.21
Other Income	28.1	64.96	125.44	125.17
<b>Total Income</b>		<b>5312.02</b>	<b>3199.87</b>	<b>5850.38</b>
<b>EXPENDITURE</b>				
Cost of Materials Consumed	29	3,403.08	2,174.80	-
Purchase of stock-in-trade	29	363.41	384.37	5,310.82
Change in Inventories to finished goods and stock - in - trade	29.1	42.74	(148.67)	(0.02)
Employee Benefit Expenses	30	431.89	168.48	41.63
Finance Costs	31	116.00	70.07	48.28
Depreciation & Amortisation	1,3	125.96	47.93	15.70
Other Expenses	32	433.80	196.09	99.20
<b>Total Expenses</b>		<b>4,916.88</b>	<b>2,893.07</b>	<b>5,515.61</b>
<b>Profit / (Loss) Before Tax</b>		<b>395.14</b>	<b>306.80</b>	<b>334.77</b>
Tax Expenses:				
- Current Tax	37	32.08	19.43	24.92
- Deferred Tax Charge/(Credit)	36	8.54	16.72	0.15
-Excess or short provision of earlier years		1.30	-	-
<b>Total Tax Expenses</b>		<b>41.92</b>	<b>36.15</b>	<b>25.07</b>
<b>Profit / (Loss) After Tax</b>		<b>353.22</b>	<b>270.65</b>	<b>309.70</b>
<b>Share of Loss from Associate</b>		-		(123.02)
<b>Profit after tax and share of loss from associate</b>		<b>353.22</b>	<b>270.65</b>	<b>186.68</b>
<b>Other Comprehensive Income</b>				
i. Items that will not be reclassified to Profit or loss or Actuarial Gain/loss on defined benefit plan		(99.08)	18.11	18.96
ii. Income tax relating to items that will not be reclassified to Profit or loss		9.97	(1.34)	(1.97)
<b>Total Comprehensive Income</b>		<b>(89.11)</b>	<b>16.77</b>	<b>16.99</b>
Items that will be reclassified to Profit or Loss				
(i) Exchange Differences in translating the financial statement of a foreign operations		(30.38)	(7.73)	31.84
<b>Total other comprehensive income</b>		<b>(119.49)</b>	<b>9.04</b>	<b>48.83</b>
<b>Total comprehensive income for the period</b>		<b>233.73</b>	<b>279.69</b>	<b>235.50</b>
<b>Net Profit attributable to:</b>				
Owners of the company		311.36	249.81	186.68
Non Controlling Interest		41.86	20.82	-

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Other Comprehensive Income attributable to:</b>				
Owners of the Company		(119.49)	9.04	48.83
Non-controlling interests		-	-	-
<b>Total Comprehensive Income attributable to:</b>				
Owners of the Company		191.87	258.87	235.50
Non-controlling interests		41.86	20.82	-
<b>Earnings Per Share (in ₹)</b>				
<b>Basic and Diluted</b>	38	<b>2.48</b>	<b>1.99</b>	<b>1.48</b>

**Annexure III: Restated Consolidated Statement of Cash Flows**

(Amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash flow from operating activities:</b>			
Net Profit before tax	<b>395.14</b>	<b>306.80</b>	<b>334.77</b>
Adjusted for:			
Depreciation & Amortisation	125.96	47.93	15.70
Interest Income	(48.35)	(49.31)	(53.03)
Rent Income	(3.96)	(10.11)	(5.40)
Dividend Income	-	(0.03)	(0.03)
Loss on sale/discard of assets	-	(1.69)	-
Exchange gain on foreign currency translations(net)	(30.38)	(7.73)	31.84
Finance Cost	116.00	70.07	48.28
Interest on Income tax	-	-	0.35
<b>Operating Profit Before Working Capital Changes</b>	<b>554.41</b>	<b>355.93</b>	<b>372.49</b>
Adjusted for (Increase)/ Decrease in:			
Other financial assets	(65.82)	16.09	(12.29)
Loan	19.52	(201.76)	(144.21)
Inventories	23.99	(586.84)	(0.02)
Trade Receivables	(274.27)	(750.49)	(262.49)
Other asset	(37.92)	(181.94)	62.20
short term borrowing	145.30	314.36	(21.88)
Trade Payable	1.22	337.69	130.44
other liability	1.64	248.30	60.27
<b>Cash Generated From Operations</b>	<b>368.07</b>	<b>(448.69)</b>	<b>184.52</b>
Direct Tax Paid	20.38	28.56	31.00
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>347.69</b>	<b>(477.24)</b>	<b>153.52</b>
<b>Cash Flow From Investing Activities:</b>			
(Investment)/Proceeds from sale in Investment	(15.00)	51.36	(84.65)
Purchase of Property, plant and equipment's (Net)	(65.44)	(733.79)	(0.27)
Proceeds from sale of assets	0.27	0.31	
Purchase of investment property (Net)	-	(5.85)	
Goodwill on acquisition	-	(274.15)	
Dividend income	-	0.03	0.03
Interest received	40.19	47.72	46.38
Rent received	3.96	10.11	3.85
(Increase)/ decrease in loans given	(186.51)	627.97	(59.49)
Bank deposit	4.50	6.64	7.28
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(218.03)</b>	<b>(269.65)</b>	<b>(86.88)</b>
<b>Cash Flow from Financing Activities:</b>			
(Payment)/receipt of long term borrowings	(6.40)	47.93	(8.35)
Increase/(Decrease) in Non controlling Interest	-	762.91	
Repayment of lease liabilities	(5.40)	(5.40)	
Finance cost	(113.24)	(67.04)	(48.28)
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>(125.04)</b>	<b>738.39</b>	<b>(56.63)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>4.63</b>	<b>(8.50)</b>	<b>10.01</b>
<b>Cash &amp; Cash Equivalents as at Beginning of the Period</b>	<b>99.43</b>	<b>107.93</b>	<b>97.92</b>

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b>Cash &amp; Cash Equivalents as at end of the Period</b>	<b>104.06</b>	<b>99.43</b>	<b>107.93</b>

## GENERAL INFORMATION

Our Company was incorporated pursuant to a certificate of incorporation dated December 22, 2015 issued by the Registrar of Companies (“RoC”), Gujarat bearing Registration Number 085474. The Company’s Corporate Identity Number is L51900GJ2015PLC085474. For further details, please see “*History and Certain Corporate Matters*” beginning on page no. 108 of this Draft Red Herring Prospectus.

### REGISTERED OFFICE

**Maximus International Limited**

504A, OZONE, Dr. Vikram Sarabhai Marg  
Vadi-wadi, Vadodara 390003, Gujarat

**Tel. No.:** +91 265 2345321

**Email id:** [info@maximusinternational.in](mailto:info@maximusinternational.in)

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

### COMPANY REGISTRATION NUMBER AND CORPORATE IDENTITY NUMBER

**CIN:** L51900GJ2015PLC085474

**Registration No.:** 085474

### ADDRESS OF THE ROC

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

**Registrar of Companies (Ahmedabad)**

ROC Bhavan, Opp. Rupal Park Society

Behind Ankur Bus Stop, Naranpura

Ahmedabad 380013, Gujarat

**Tel. No.:** +91 79 2743 8531

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

### BOARD OF DIRECTORS

As on the date of this Draft Red Herring Prospectus, the Board of Directors of our Company comprises of the following:

Name	Designation	DIN	Address
Mr. Deepak Raval	Chairman and Managing Director	01292764	C-401, Bhadrlok Old Padra Road, Near Tube Company, Vadodara 390020, Gujarat
Mr. Murali Krishnamoorthy	Non Executive Independent Director	06929357	SB, Jains Advika, 55, 3 <sup>rd</sup> Main Road, Gandhi Nagar, Adyar, Chennai 600020, Tamil Nadu
Mr. Vinay Pandya	Non Executive Independent Director	08368828	03, Shirodhara Apartment, Near Nehrunagar Cross Road, Ambawadi, Manekbag, Ahmedabad 380015, Gujarat
Mr. Anand Muley	Non Executive Independent Director	08616809	2 <sup>nd</sup> Floor, Yaswant Sadan, Shankar Tekri, Dandia Bazar, Vadodara 390001, Gujarat
Mr. Niharkumar Naik	Non Executive Independent Director	08302107	32-B, Ashirwad Park, Chhapra, Near SGM School, Navsari 396445, Gujarat
Ms. Jigisha Thakkar	Non Executive Independent Director	08536332	A-1, 2/6, Narmada Nagari, Opp. Gorwa ITI, Gorwa, Sahyog, Vadodara Industrial Estate, Vadodara 390016, Gujarat

For further details of our Directors, see “*Our Management*” on page no. 112 of this Draft Red Herring Prospectus.

## CHIEF FINANCIAL OFFICER

### Mr. Milind Joshi

504A, OZONE, Dr. Vikram Sarabhai Marg  
Vadi-wadi, Vadodara 390003, Gujarat  
**Tel:** +91 265 2345321  
**Email id:** info@maximusinternational.in

## COMPANY SECRETARY AND COMPLIANCE OFFICER

### Ms. Dharati Shah

504A, OZONE, Dr. Vikram Sarabhai Marg  
Vadi-wadi, Vadodara 390003, Gujarat  
**Tel. No.:** +91 265 2345321  
**Email:** info@maximusinternational.in

## BOOK RUNNING LEAD MANAGER

### Aryaman Financial Services Limited

60, Khatau Building, Ground Floor  
Alkesh Dinesh Modi Marg, Opp. P. J. Towers (BSE Building)  
Fort, Mumbai 400 001  
**Tel No.:** +91 22 6216 6999  
**Email:** ipo@afsl.co.in  
**Investor Grievances Email:** feedback@afsl.co.in  
**Website:** www.afsl.co.in  
**Contact Person:** Mr. Deepak Biyani / Ms. Jyothi Shetty  
**SEBI Registration No.:** INM000011344

## REGISTRAR TO THE ISSUE

### Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building  
Opp. Vasant Oasis, Makwana Road  
Marol, Andheri East, Mumbai 400059  
**Tel:** +91 22 6263 8200 / 6263 8280  
**Email:** ipo@bigshareonline.com  
**Website:** www.bigshareonline.com  
**Investor Grievance Email:** investor@bigshareonline.com  
**Contact Person:** Mr. Ashish Bhope  
**SEBI Registration No.:** INR000001385

## LEGAL COUNSEL TO THE ISSUE

### Kanga & Co. (Advocates & Solicitors)

Readymoney Mansion, 43  
Veer Nariman Road, Mumbai 400001  
**Tel No.:** +91 22 6623 0000, +91 22 6633 2288  
**Fax No.:** +91 22 6633 9656 / 57  
**Contact Person:** Mr. Chetan Thakkar  
**Email:** [chetan.thakkar@kangacompany.com](mailto:chetan.thakkar@kangacompany.com)  
**Website:** [www.kangacompany.com](http://www.kangacompany.com)

## STATUTORY AUDITORS TO OUR COMPANY

### CNK & Associates, LLP, Chartered Accountants

C/201-202, Shree Siddhivinayak Complex  
Opp. Alkapuri Side Railway Station  
Faramji Road, Alkapuri, Vadodara 390005  
**Tel No.:** +91 265 234 3483

**Email:** [alok@cnkindia.com](mailto:alok@cnkindia.com)  
**Contact Person:** Mr. Alok Shah  
**Membership No.:** 013232  
**Firm Registration No.:** 101961W/W-100036  
**Peer Review No.:** 013232

There has been no change in our auditors in the last three years preceding the date of this Draft Red Herring Prospectus.

#### **BANKERS TO OUR COMPANY**

##### **ICICI Bank Limited**

2<sup>nd</sup> Floor, Jay House Building, 42  
Haribhakti Colony, Near Chakli Circle  
O.P. Road, Vadodara 390007  
**Contact Person:** Mr. Vikas Kushwaha  
**Tel. No.:** +91 9377434845  
**Email:** [vikas.kushwaha@icicibank.com](mailto:vikas.kushwaha@icicibank.com)  
**Web Site:** [www.icicibank.com](http://www.icicibank.com)

##### **Yes Bank Limited**

Race Course Branch, Vadodara  
Gr++, Corner Square  
Race Course Circle, Baroda 390007  
**Contact Person:** Mr. Nilesh Shah  
**Tel. No.:** +91 9727960624  
**Email:** [Nilesh.shah1@yesbank.in](mailto:Nilesh.shah1@yesbank.in)  
**Website:** [www.yesbank.in](http://www.yesbank.in)

*Note: Consent and NoC from Federal Bank in under process*

#### **BANKER(S) TO THE ISSUE / SPONSOR BANK / REFUND BANK**

[•]

#### **SYNDICATE MEMBER(S)**

[•]

#### **STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES FOR THE ISSUE**

Aryaman Financial Services Limited (AFSL) is the sole Book Running Lead Manager (BRLM) to the issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them.

#### **Designated Intermediaries**

##### **Self-Certified Syndicate Banks**

The banks registered with the SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to Retail Individual Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at [sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40](http://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) or such other website as updated from time to time.

Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at



[www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

### **Syndicate SCSB Branches**

In relation to Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI ([www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes)) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) as updated from time to time.

### **Registered Brokers**

The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?) and [https://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](https://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), respectively, as updated from time to time.

### **Collecting Registrar and Share Transfer Agents**

The list of the CRTAs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and on the website of NSE at [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), as updated from time to time.

### **Monitoring Agency**

Since the proceeds from the Fresh Issue do not exceed ₹ 10,000 Lakhs in terms of Regulation 41 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

### **Experts**

Our Company has received written consent dated August 21, 2021 from CNK & Associates, LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, August 13, 2021 on our Restated Consolidated Financial Statements; and (ii) their report dated August 21, 2021 on the Statement of Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### **Appraising Entity**

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

### **Credit Rating**

As the Issue is of Equity Shares, the appointment of a credit rating agency is not required.

## **IPO Grading**

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

## **Trustees**

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

## **Green Shoe Option**

No green shoe option is applicable for the Issue.

## **Filing of Draft Red Herring Prospectus**

A copy of this Draft Red Herring Prospectus has been filed with the Securities Exchange Board of India at SEBI Bhavan, Western Regional Office, Panchvati 1st Lane, Gulbai Tekra Road, Ahmedabad - 380006, Gujarat and electronically on the platform provided by SEBI.

A copy of the Red Herring Prospectus, along with the material contract and documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered to the RoC at the office of the Registrar of Companies located at RoC (Ahmedabad), ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad 380013, Gujarat.

## **BOOK BUILDING PROCESS**

Book Building Process, in the context of the Issuer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum bid lot size will be decided by our Board of Directors in consultation with the BRLM, and advertised in all editions of the English National Daily Newspaper [●], all editions of the Hindi National Daily Newspaper [●] and Vadodara edition of the Gujarati Daily Newspaper [●] (Gujarati being the regional language of Gujarat, where the Registered Office of our Company is located), each with wide circulation, at least one Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Board of Directors in consultation with the BRLM after the Bid/Issue Closing Date.

All Bidders are mandatorily required to use the ASBA process for participating in the Issue by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism.

In accordance with the SEBI ICDR Regulations, Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders (subject to the Bid Amount being up to ₹ 2,00,000) can revise their Bids during the Bid/Issue Period and withdraw their Bids on or before the Bid/Issue Closing Date. For further details, see “*Terms of the Issue*”, “*Issue Procedure*” and “*Issue Structure*” on page nos. 239, 247 and 245, respectively of this Draft Red Herring Prospectus.

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

Bidders should note that the Issue is also subject to obtaining final listing and trading approvals from the Stock Exchanges, which the Exchange shall apply for after Allotment.

For further details on the method and procedure for Bidding, please see “*Issue Procedure*” on page no. 247 of this Draft Red Herring Prospectus.

## Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “*Issue Procedure*” on page no. 247 of this Draft Red Herring Prospectus.

### Underwriting Agreement

After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company intends to enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ lakhs)
[•]	[•]	[•]

The abovementioned is indicative underwriting and the actual amount underwritten will be finalised after the pricing and actual allocation and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement.

## CAPITAL STRUCTURE

The Equity Share Capital of the Company as on the date of this Draft Red Herring Prospectus and after giving effect to the Issue is set forth below:

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price*
<b>A</b>	<b>Authorised Share Capital<sup>(1)</sup></b>		
	1,68,00,000 Equity Shares of face value of ₹ 10 each	1,680.00	-
<b>B</b>	<b>Issued, Subscribed and Paid-up Share Capital before the Issue</b>		
	1,25,72,000 Equity Shares of face value of ₹ 10 each	1,257.20	-
<b>C</b>	<b>Present Issue in terms of this Draft Red Herring Prospectus<sup>(2)</sup></b>		
	Public Issue of up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 2,700 lakhs	[●]	[●]
<b>D</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	Up to [●] Equity Shares of face value of ₹ 10 each		[●]
<b>E</b>	<b>Securities Premium Account</b>		
	Before the Issue		Nil
	After the Issue <sup>(3)</sup>		[●]

\* To be updated upon finalization of the Issue Price.

<sup>(1)</sup>For details in relation to the changes in the authorised share capital of our Company, please see “History and Certain Corporate Matters - Amendments to the Memorandum of Association” on page no. 108 of this Draft Red Herring Prospectus.

<sup>(2)</sup>The present Issue has been authorised by a resolution of the Board of Directors dated May 29, 2021 and August 13, 2021 and by a resolution of the shareholders of our Company in the Annual General Meeting through video conferencing held on July 20, 2021.

<sup>(3)</sup>To be finalized upon determination of the Issue Price.

### NOTES TO CAPITAL STRUCTURE

#### 1. Share Capital History of our Company

The following table sets forth the history of the equity share capital of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (Rs.)	Cumulative Share Premium (Rs.)
Upon Incorporation	5,00,000	10	10	Subscription to MoA <sup>(1)</sup>	Cash	5,00,000	50,00,000	Nil
September 20, 2016	20,00,000	10	10	Further Allotment <sup>(2)</sup>	Cash	25,00,000	2,50,00,000	Nil
October 29, 2016	12,00,000	10	25	Further Allotment <sup>(3)</sup>	Cash	37,00,000	3,70,00,000	1,69,65,000 <sup>(4)</sup>
March 27, 2017	15,06,000	10	25	Initial Public Offering <sup>(5)</sup>	Cash	52,06,000	5,20,60,000	3,57,01,810 <sup>(6)</sup>
September 04, 2017	10,80,000	10	27.5	Further allotment <sup>(7)</sup>	Cash	62,86,000	6,28,60,000	5,46,01,810
February 28, 2019	62,86,000	10	Nil	Bonus Issue <sup>(8)</sup>	Capitalization of Reserves & Surplus	1,25,72,000	12,57,20,000	-

<sup>(1)</sup> Pursuant to subscription to the MoA our Company has allotted 4,99,994 shares to OFL and 1 share each to 6 representative nominee shareholders of Optimus Finance Limited (“OFL”).

<sup>(2)</sup> Allotment of 20,00,000 shares to Optimus Finance Limited against outstanding unsecured loan on Rights basis issued at a ratio of 4:1 i.e. 4 Equity Shares for every 1 Equity Shares held.

- (3) Allotment of 12,00,000 shares to Optimus Finance Limited against outstanding unsecured loan on Rights basis issued at a ratio of 12:25 i.e. 12 Equity Shares for every 25 Equity Shares held.
- (4) An amount of ₹ 10.35 lakhs pertaining to share issue expenses has been deducted from the total securities premium created of ₹ 180.00 lakhs.
- (5) Initial Public Issue of 15,06,000 Equity Shares of face value ₹ 10/- fully paid up at a premium of ₹ 15 on March 27, 2017.
- (6) An amount of ₹ 38.53 lakhs pertaining to share issue expenses has been deducted from the total securities premium created of ₹ 225.90 lakhs.
- (7) Allotment of 1,14,000 equity shares of face value ₹ 10 each to Mr. Babulal Shah, 54,000 equity shares of face value ₹ 10 each to Elixir Commercial Services Private Limited, 42,000 equity shares of face value ₹ 10 each to Mr. Kandarp Zaveri, 72,000 equity shares of face value ₹ 10 each to Mr. Kirti Malde, 78,000 equity shares of face value ₹ 10 each to Kirti Malde HUF, 36,000 equity shares of face value ₹ 10 each to Mr. Mayank Shah, 1,08,000 equity shares of face value ₹ 10 each to Mr. Mukesh Shah, 1,08,000 equity shares of face value ₹ 10 each to Mukesh Shah HUF, 1,68,000 equity shares of face value ₹ 10 each to Mr. Nayan Gosalia, 42,000 equity shares of face value ₹ 10 each to Ms. Nayana Malde, 60,000 equity shares of face value ₹ 10 each to Ms. Parul Malde, 1,62,000 equity shares of face value ₹ 10 each to Ms. Sonal Gosalia and 36,000 equity shares of face value ₹ 10 each to Mr. Vidyut Shah on preferential basis.
- (8) Pursuant to the EGM held on February 15, 2019, our Company has allotted 62,86,000 fully paid-up Equity Shares of ₹ 10 each as bonus shares to the existing equity shareholders (including nominee shareholders) as on February 27, 2019, in the ratio of 1 (One) Equity Shares for every 1 (One) Equity Shares held by them, by capitalizing Reserves and Surplus. The relevant provisions of the Companies Act have been complied with w.r.t the bonus issues.

## 2. Shares issued for consideration other than cash or out of revaluation reserves

Our Company has not issued Equity Shares out of Revaluation Reserves.

Except as mentioned below, our Company has not issued Equity Shares for consideration other than cash:

Date of Allotment	No. of Equity Shares allotted	Person to whom issued	Face Value (Rs.)	Issue Price (Rs.)	Reason/ Nature of Allotment	Benefit accrued to our Company
February 28, 2019	62,86,000	Existing Shareholders as on February 27, 2019	10	Not Applicable	Bonus Issue in the ratio of 1 (One) Equity Shares for each 1 (One) Equity Shares held by them by capitalizing Share Premium Account and credit balance in Profit & Loss Account	Expansion of Capital

3. Our Company does not have any outstanding warrants, convertible securities, or any other instrument which would entitle the shareholders to equity shares upon exercise or conversion as on the date of the filing of this Draft Red Herring Prospectus.
4. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under the provisions of Sections 230 to 240 of the Companies Act, 2013.
5. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
6. No shares have been issued at a price lower than the Issue Price within the last one year from the date of this Draft Red Herring Prospectus.

## 7. Shareholding Pattern of our Company

a) The following is the shareholding pattern of the Company as on the date of this Draft Red Herring Prospectus

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid up Equity Shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming Full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII) Number of Equity Shares held in		Number of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class: Equity	Class : N/A	Total	Total as a % of (A+B+C)							
(A)	Promoter & Promoter Group <sup>(1)</sup>	7	80,00,000	-	-	80,00,000	63.63%	80,00,000	-	80,00,000	63.63%	-	63.63%	-	-	-	-	80,00,000
(B)	Public	852	45,72,000	-	-	45,72,000	36.37%	45,72,000	-	45,72,000	36.37%	-	36.37%	-	-	-	-	45,72,000
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>859</b>	<b>1,25,72,000</b>	<b>-</b>	<b>-</b>	<b>1,25,72,000</b>	<b>100.00%</b>	<b>1,25,72,000</b>	<b>-</b>	<b>1,25,72,000</b>	<b>100.00%</b>	<b>-</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,25,72,000</b>

<sup>(1)</sup> 12 shares are held by 6 representative nominee shareholders (2 shares each) of OFL.

- b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Issue Share Capital (%)
1.	Optimus Finance Limited <sup>(1)</sup>	80,00,000	63.63%
2.	Shri Ravindra Media Ventures Private Limited	5,77,000	4.59%
3.	Nopea Capital Services Private Limited	4,18,958	3.33%
4.	Venkateshwara Industrial Promotion Co Limited	3,47,330	2.76%
5.	Yogesh Babulal Shah HUF	2,91,000	2.31%
6.	Mr. Nayan Gosalia	2,18,600	1.74%
7.	Ms. Harsha Jhaveri	1,82,012	1.45%
8.	Aryaman Capital Markets Limited <sup>(2)</sup>	1,76,415	1.40%
9.	Escorp Asset Management Limited <sup>(3)</sup>	1,74,522	1.39%
10.	Mr. Mukesh Shah	1,32,000	1.05%
11.	Mr. Kirti Malde	1,29,000	1.03%
<b>Total</b>		<b>1,06,46,837</b>	<b>84.69%</b>

<sup>(1)</sup> 12 shares are held by 6 representative nominee shareholders (2 shares each) of OFL.

<sup>(2)</sup> Aryaman Capital Markets Limited (“ACML”) was the Market Maker of the Company till the date of the migration of our Company from SME Exchange to the main board of BSE Ltd in terms of SEBI (ICDR) Regulations. ACML is a subsidiary Company of BRLM & is listed on BSE SME Exchange. ACML will not deal in the scrip of our Company till the date of listing of shares under the current Issue or till the date of withdrawal of the Issue, whichever is earlier.

<sup>(3)</sup> Escorp Asset Management Limited (“EAML”) is a subsidiary Company of BRLM & is listed on BSE SME Exchange. EAML will not deal in the scrip of our Company till the date of listing of shares under the current Issue or till the date of withdrawal of the Issue, whichever is earlier.

- c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Issue Share Capital (%)
1.	Optimus Finance Limited <sup>(1)</sup>	80,00,000	63.63%
2.	Mr. Nayan Gosalia	5,04,000	4.01%
3.	Shri Ravindra Media Ventures Private Limited	4,92,000	3.91%
4.	Aryaman Capital Markets Limited <sup>(2)</sup>	4,85,405	3.86%
5.	Nopea Capital Services Private Limited	3,45,600	2.75%
6.	Goodpoint Commodeal Private Limited	3,31,000	2.63%
7.	Ms. Sonal Gosalia	3,24,000	2.58%
8.	Yogesh Babulal Shah HUF	3,06,000	2.43%
9.	Mr. Sajankumar Bajaj	1,80,000	1.43%
10.	Kirti Mavji Malde HUF	1,56,000	1.24%
11.	Mr. Kirti Malde	1,44,000	1.15%
<b>Total</b>		<b>1,12,68,005</b>	<b>89.63%</b>

<sup>(1)</sup> 12 shares are held by 6 representative nominee shareholders (2 shares each) of OFL.

<sup>(2)</sup> Aryaman Capital Markets Limited (“ACML”) was the Market Maker of the Company till the date of the migration of our Company from SME Exchange to the main board of BSE Ltd in terms of SEBI (ICDR) Regulations.

- d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Issue Share Capital (%)
1.	Optimus Finance Limited <sup>(1)</sup>	80,00,000	63.63%
2.	Mr. Nayan Gosalia	5,04,000	4.01%
3.	Shri Ravindra Media Ventures Private Limited	4,92,000	3.91%
4.	Nopea Capital Services Private Limited	3,59,198	2.86%
5.	Venkateshwara Industrial Promotion Co Limited	3,39,515	2.70%
6.	Ms. Sonal Gosalia	3,24,000	2.58%

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Issue Share Capital (%)
7.	Yogesh Babulal Shah HUF	3,04,000	2.42%
8.	Aryaman Capital Markets Limited <sup>(2)</sup>	1,91,149	1.52%
9.	Kirti Mavji Malde HUF	1,56,000	1.24%
10.	Mr. Kirti Malde	1,44,000	1.15%
<b>Total</b>		<b>1,08,13,862</b>	<b>86.02%</b>

<sup>(1)</sup> 12 shares are held by 6 representative nominee shareholders (2 shares each) of OFL.

<sup>(2)</sup> Aryaman Capital Markets Limited (“ACML”) was the Market Maker of the Company till the date of the migration of our Company from SME Exchange to the main board of BSE Ltd in terms of SEBI (ICDR) Regulations.

e) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of ten days prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Issue Share Capital (%)
1.	Optimus Finance Limited <sup>(1)</sup>	80,00,000	63.63%
2.	Shri Ravindra Media Ventures Private Limited	5,77,000	4.59%
3.	Nopea Capital Services Private Limited	4,19,073	3.33%
4.	Venkateshwara Industrial Promotion Co Limited	3,47,330	2.76%
5.	Yogesh Babulal Shah HUF	2,91,000	2.31%
6.	Mr. Nayan Gosalia	2,18,600	1.74%
7.	Aryaman Capital Markets Limited <sup>(2)</sup>	1,87,322	1.49%
8.	Ms. Harsha Jhaveri	1,82,012	1.45%
9.	Escorp Asset Management Limited <sup>(3)</sup>	1,74,522	1.39%
10.	Mr. Mukesh Shah	1,32,000	1.05%
11.	Mr. Kirti Malde	1,29,000	1.03%
<b>Total</b>		<b>1,06,57,859</b>	<b>84.77%</b>

<sup>(1)</sup> 12 shares each are held by 6 representative nominee shareholders (2 shares each) of OFL.

<sup>(2)</sup> Aryaman Capital Markets Limited (“ACML”) was the Market Maker of the Company till the date of the migration of our Company from SME Exchange to the main board of BSE Ltd in terms of SEBI (ICDR) Regulations. ACML is a subsidiary Company of BRLM & is listed on BSE SME Exchange. ACML will not deal in the scrip of our Company till the date of listing of shares under the current Issue or till the date of withdrawal of the Issue, whichever is earlier.

<sup>(3)</sup> Escorp Asset Management Limited (“EAML”) is a subsidiary Company of BRLM & is listed on BSE SME Exchange. EAML will not deal in the scrip of our Company till the date of listing of shares under the current Issue or till the date of withdrawal of the Issue, whichever is earlier.

f) Our Company has not issued any warrants, convertible debentures, loan or any other instrument which would entitle the shareholders to equity shares upon exercise or conversion.

8. Except as disclosed in this Draft Red Herring Prospectus, our Company does not have any intention or proposal to alter our capital structure within a period of 6 months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company and subject to the requisite approval.



## 9. Shareholding of our Promoter

### a) Build-up of the shareholding of our Promoter

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	Cumulative No. of shares	% of Pre Issue Equity Share Capital	% of Post Issue Share Capital
<b>Optimus Finance Limited</b>								
December 22, 2015	Subscription to MoA <sup>(1)</sup>	Cash	5,00,000	10	10	5,00,000	3.98	[●]
September 20, 2016	Further Allotment <sup>(2)</sup>	Cash	20,00,000	10	10	25,00,000	15.91	[●]
October 29, 2016	Further Allotment <sup>(3)</sup>	Cash	12,00,000	10	25	37,00,000	9.55	[●]
April 16, 2018	Open Market Acquisition	Cash	84,000	10	36	37,84,000	0.67	[●]
April 17, 2018	Open Market Acquisition	Cash	1,08,000	10	38.50	38,92,000	0.86	[●]
April 19, 2018	Open Market Acquisition	Cash	72,000	10	40	39,64,000	0.57	[●]
April 20, 2018	Open Market Acquisition	Cash	36,000	10	40	40,00,000	0.29	[●]
February 28, 2019	Bonus Issue <sup>(4)</sup>	Other than Cash	40,00,000	10	Nil	80,00,000	31.82	[●]

<sup>(1)</sup> Pursuant to subscription to the MoA our Company has allotted 4,99,994 shares to OFL and 1 share each to 6 representative nominee shareholders of OFL.

<sup>(2)</sup> Pursuant to AGM held on September 15, 2016, our Company has issued 20,00,000 shares against outstanding unsecured loan on Right issue basis.

<sup>(3)</sup> Pursuant to EGM held on October 10, 2016, our Company has issued 12,00,000 shares against outstanding unsecured loan on Right issue basis.

<sup>(4)</sup> Pursuant to subscription to Bonus Issue vide EGM Dated February 15, 2019, our Company has allotted 39,99,994 shares to OFL and 1 share each to 6 representative nominee shareholders of OFL.

#### Notes:

- None of the shares belonging to our Promoter have been pledged till date.
- The entire Promoter' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Red Herring Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.
- Our Promoter have confirmed to the Company and the BRLM that the Equity Shares held by our Promoter have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- All the shares held by our Promoter, were fully paid-up on the respective dates of acquisition of such shares.

## b) Pre- Issue and Post- Issue Shareholding of our Promoter and Promoter Group

Provided below are details of Equity Shares held by our Promoter and the members of our Promoter Group as on the date of this Draft Red Herring Prospectus:

Category of Promoter	Pre-Issue		Post- Issue	
	No. of Equity Shares	Percentage of pre- issue capital (%)	No. of Equity Shares	Percentage of post- issue capital (%)
<b>1. Promoter</b>				
Optimus Finance Limited <sup>(1)</sup>	80,00,000	63.63%	80,00,000	[●]
<b>2. Promoter Group (as defined by SEBI (ICDR) Regulations)</b>	-	-	-	-
<b>3. Other Persons, Firms or Companies whose shareholding is aggregated for the purpose of disclosing in the Prospectus under the heading “Shareholding of the Promoter Group”.</b>	-	-	-	-
<b>Total Promoter &amp; Promoter Group Holding</b>	<b>80,00,000</b>	<b>63.63%</b>	<b>80,00,000</b>	<b>[●]</b>
<b>Total Paid up Capital</b>	<b>1,25,72,000</b>	<b>100.00%</b>	<b>[●]</b>	<b>100.00%</b>

<sup>(1)</sup> 12 shares are held by 6 representative nominee shareholders (2 shares each) of OFL.

10. Our Company has Eight Hundred and Fifty Nine (859) shareholders, as on the date of this Draft Red Herring Prospectus.

11. We hereby confirm that:

- None of the members of the Promoter, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Red Herring Prospectus except as disclosed above in this chapter.
- None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

### 12. Promoter’s Contribution and other Lock-in details

#### a) Details of Promoter’s Contribution locked-in for three (3) years

In accordance with the SEBI ICDR Regulations, an aggregate of 20% of the Issue Size, shall be locked in for a period of three years as minimum Promoter’s contribution from the date of Allotment (“**Promoters’ Contribution**”). The lock-in of the Promoters’ Contribution would be created as per applicable laws and procedures and details of such lock -in shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

The details of the Equity Shares held by our Promoter, which shall be locked-in for a period of three years from the date of allotment, are set out in the following table:

Name of Promoter	No. of Equity Shares locked In	Percentage of the post Issue paid up capital (%)
Optimus Finance Limited	[●]	[●]

<sup>(1)</sup> All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition of such Equity Shares, as the case may be. For details regarding allotment of the above Equity Shares, please refer Note no. 8 under “Notes to Capital Structure” on page no. 50 of this Draft Red Herring Prospectus.

Our Promoter have given consent, pursuant to letter dated [●], to include such number of Equity Shares held by them as may constitute 20% of the Issue Size. Our Promoter has agreed not to sell, transfer, charge, pledge

or otherwise encumber in any manner, the Promoter's Contribution from the date of filing of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

We confirm that in compliance with Regulation 114 of SEBI ICDR Regulations, the minimum Promoter contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- i) The Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;
- ii) The Equity Shares pledged with any creditor other than those for borrowings by the Issuer or its Subsidiary Companies.

**We further confirm that our Promoter' Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.**

**b) Other Lock-in requirements**

- i) Pursuant to Regulation 115(b) of the SEBI (ICDR) Regulations, in addition to the Promoter Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital held by the Promoter will be locked in for a period of one (1) year from the date of Allotment in this Issue.
- ii) As required under Regulation 118 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.
- iii) Pursuant to Regulation 119 Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:
  - a. With respect to the Equity Shares locked-in for one year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.
  - b. With respect to the Equity Shares locked-in as Minimum Promoters' Contribution for three years from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Issue, which is not applicable in the context of this Issue.However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

- iv) Pursuant to Regulation 120 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations.

13. Our Company, our Promoter, our Directors and the BRLM have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.
14. All the Equity Shares are fully paid up and there are no partly paid up Equity Shares as on date of this Draft Red Herring Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful Bidders will be issued fully paid-up Equity Shares
15. Aryaman Capital Markets Limited, subsidiary of our BRLM, who held equity shares as the market maker pursuant to Initial Public Offering of our Company and continues to hold 1,76,415 equity shares as on the date of this Draft Red Herring Prospectus. Further, Escorp Asset Management Limited, subsidiary of our BRLM, holds 1,74,522 equity shares on the date of this Draft Red Herring Prospectus. Except as mentioned herein, none of the associates of BRLM (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) hold any Equity Shares of our Company.

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The BRLM and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in investment banking transactions with our Company for which they may in the future receive customary compensation.

16. Our Company has no outstanding ESOP's, warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares nor has the company ever allotted any equity shares pursuant to conversion of ESOP's as on the date of this Draft Red Herring Prospectus.
17. Over-subscription to the extent of 1% of the Issue can be retained for the purpose of rounding off to the nearest multiple of the minimum Allotment lot while finalising the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased, if required, so as to ensure that 20% of the current Issue size.
18. Subject to valid applications being received at or above the Issue Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
19. No person connected with the Issue, including, but not limited to, the members of the Syndicate, our Company, our Subsidiaries, our Directors, our Promoter or the members of our Promoter Group and Group Company, shall offer or make payment of any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
20. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
21. Our Company shall ensure that any transaction in the Equity Shares by the Promoter and the Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus with the SEBI and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of such transaction.
22. None of our Promoter or member of Promoter Group will participate in the Issue.
23. Except as disclosed in "*Objects of the Issue*" on page 59, the Promoters and members of our Promoter Group will not receive any proceeds from the Issue
24. Except as disclosed in "*Our Management*" on page no. 112, none of our Directors or Key Managerial Personnel of our Company hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

Subject to finalisation of Basis of Allotment, Issue of [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ 2,700 lakhs.

The net proceeds of the Issue, i.e. Gross proceeds of the Issue less the Issue expenses (“Net Proceeds”) are proposed to be utilised in the following manner:

1. Funding Working Capital requirements and
2. General Corporate Purposes.

The main objects and objects incidental and ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Issue. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

### Gross Proceeds and Net Proceeds

The details of the proceeds of the Issue are set forth in the table below:

(₹ in lakhs)

Particulars	Amount
Gross Proceeds of the Issue	2,700.00
Less: Issue related expenses <sup>(1)</sup>	[●]
<b>Net Proceeds of the Issue</b>	<b>[●]</b>

<sup>(1)</sup> To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

### Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

(₹ in lakhs)

Sr. No.	Particulars	Estimated amount
1	Funding Working Capital requirements	2,293.48
2	General Corporate Purpose <sup>(1)</sup>	[●]
	<b>Total</b>	<b>[●]</b>

<sup>(1)</sup> To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Issue.

### Proposed Schedule of Implementation and Deployment of the Net Proceeds

The Net Proceeds of the Issue (“Net Proceeds”) are currently expected to be deployed in accordance with the schedule as stated below:

(₹ in lakhs)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Amount to be deployed from the Net Proceeds in FY 2021-22
1	Funding Working Capital requirements	2,293.48	2,293.48
2	General Corporate Purpose <sup>(1)</sup>	[●]	[●]
	<b>Total</b>	<b>[●]</b>	<b>[●]</b>

<sup>(1)</sup> To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Issue.

### Requirement of Funds and Means of Finance

The entire fund requirements for all objects are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance. The fund requirements mentioned above are based on the internal management

estimates of our Company and have not been verified or 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, costs of commodities and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals and/ or debt, as required. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Issue in accordance with the SEBI ICDR Regulations. For details on risks involved, see “Risk Factors – Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval” on page no. 26 of this Draft Red Herring Prospectus.

## Details of the Objects of the Issue

### 1. Funding Working Capital Requirement

Our business is working capital intensive and we fund the majority of our working capital requirements in the ordinary course of business through a combination of borrowings and our Owned Funds. As at March 31, 2021, our total working capital requirement was amounting to ₹ 2,114.83 lakhs and out of which ₹ 1,542.44 lakhs were funded through our Owned Funds and the balance ₹ 572.39 lakhs from Banks & others Financial Institutions. Our Company requires additional capital for funding its growing business and scale of operations. The funding of the additional working capital requirements of our Company will lead to a consequent increase in our profitability.

#### Basis of estimation of working capital requirement

The details of working capital as at March 31, 2020 & March 31, 2021 on consolidated basis and the expected working capital requirements for the Fiscal 2022 and source of funding of the same are provided in the table below\*:

(₹ in lakhs)

Sr. No.	Particulars	For Fiscal 2019-20 (Restated)	For Fiscal 2020-21 (Restated)	For Fiscal 2021-22 (Estimated)
<b>I</b>	<b>Current Assets</b>			
1	Inventories	586.86	562.87	1,333.06
2	Trade Receivable	1,276.42	1,550.69	3,356.21
3	All Other Current Assets	746.12	1,035.69	2,087.78
	<b>Total Current Assets (A)</b>	<b>2,609.40</b>	<b>3,149.25</b>	<b>6,777.05</b>
<b>II</b>	<b>Current Liabilities</b>			
1	Trade Payables	675.56	676.78	1,598.81
2	Other Current Liabilities (Excluding Borrowing)	348.45	357.64	834.76
	<b>Total Current Liabilities (B)</b>	<b>1,024.01</b>	<b>1,034.42</b>	<b>2,433.57</b>
<b>III</b>	<b>Total Working Capital Gap (A – B)</b>	<b>1,585.38</b>	<b>2,114.83</b>	<b>4,343.48</b>
<b>IV</b>	<b>Funding Pattern</b>			
1	Owned Funds <sup>(1)</sup>	1,168.81	1,542.44	1,500.00
2	Working Capital Facilities from Banks & Others Financial Institutions <sup>(2)</sup>	416.58	572.39	550.00
3	<b>Net proceeds to be utilised</b>	-	-	<b>2,293.48</b>

\* Our Statutory Auditor has, pursuant to a certificate dated August 21, 2021, certified the working capital requirements for the Fiscal 2022.

<sup>(1)</sup> The Statutory Auditors of the Company, M/s. CNK & Associates LLP, Chartered Accountants, vide CNKBRD/224/2021-22 their certificate dated August 21, 2021 have confirmed that the Company's 'Owned Funds' as on March 31, 2021 aggregates to ₹ 2,136.00 lakhs.

<sup>(2)</sup> Our sanctioned working capital facilities comprised ₹ 559.59 lakhs from banks and other financial institutions.  
\* The Bank has granted temporary facility of invoice discounting for additional amount of ₹ 23.85 Lakhs.

The table below contains the details of the holding levels (in number of days or relevant matrix as applicable) considered and is derived from the Restated Consolidated Financial Statements for the Fiscal 2020 and Fiscal 2021 and assumptions based on which the working plan projections has been made and approved by the Board of Directors. Further our Statutory Auditor also has, pursuant to a certificate dated August 21, 2021, certified the assumptions for working capital projections made by the Company for the Fiscal 2022.

#### Justification for holding period levels

Particulars	Assumptions
<b>Current Assets</b>	
Trade Receivables	Our Company had trade receivables of 152 days and 108 days of revenue from operation at the end of Fiscal 2020 and Fiscal 2021 respectively. Trade receivables days calculated as closing trade receivables divided by revenue from operation over 365 days. Our Company has assumed trade receivables, at average days of Fiscal 2020 & Fiscal 2021 i.e 130 days of projected revenue from operation for Fiscal 2022.
Inventories	Our Company had inventories of 98 days and 60 days of Cost of materials consumed for the Fiscal 2020 and Fiscal 2021 respectively. Inventories days calculated as closing inventories divided by Cost of materials consumed over 365 days. Our Company has assumed inventories, at average days of Fiscal 2020 & Fiscal 2021 i.e 79 days of projected Cost of materials consumed for Fiscal 2022.
Other Current Assets	Our Company's other current assets were 40% and 49%, as a percentage of total of Trade Receivable & Inventories at the end of Fiscal 2020 and Fiscal 2021 respectively. Our Company has assumed other current assets, at average % of Fiscal 2020 & Fiscal 2021 i.e. 45% of projected Trade Receivable & Inventories for Fiscal 2022.
<b>Current Liabilities</b>	
Trade Payables	Our Company had trade payable of 95 days and 58 days of total expenses excluding employee benefit expenses, finance and depreciation cost Fiscal 2020 and Fiscal 2021 respectively. Trade Payable days calculated as closing trade payable divided by total expenses excluding employee benefit expenses, finance and depreciation cost over 365 days. Our Company has assumed trade payable, at average days of Fiscal 2020 & Fiscal 2021 i.e. 76 days of total expenses excluding employee benefit expenses, finance and depreciation cost for Fiscal 2022.
Other Current Liabilities (Excluding Borrowing)	Our Company's other current liabilities were 52% and 53%, as a percentage of Trade Payable at the end of Fiscal 2020 and Fiscal 2021 respectively. Our Company has assumed other current liabilities, at average % of Fiscal 2020 & Fiscal 2021 i.e 52% of projected Trade Payable for Fiscal 2022.

The aforementioned working capital estimates and projections have been approved by the Board through a resolution dated August 13, 2021. Our Company proposes to utilize ₹ 2,293.48 lakhs of the Net Proceeds in Fiscal 2022 towards our long term working capital requirements.

## 2. General Corporate Purpose

Our management will have flexibility to deploy ₹ [●], aggregating to [●] % of the Net Proceeds towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that in terms of Regulation 104(2) of the SEBI ICDR Regulations, the extent of the Net Proceeds according to this Draft Red Herring Prospectus, proposed to be used for general corporate purposes, shall not exceed 25% of the amount raised by our Company through the Issue of Equity Shares.

## ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ [●] lakhs, which is [●]% of the total Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1	Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[●]	[●]%	[●]%
2	Brokerage and selling commission <sup>(1)(2)(3)(4)</sup>	[●]	[●]%	[●]%
3	Printing & Stationery, Distribution, Postage, etc.	[●]	[●]%	[●]%
4	Advertisement and Marketing Expenses	[●]	[●]%	[●]%
5	Stock Exchange Fees, Regulatory and other Expenses	[●]	[●]%	[●]%
<b>Total</b>		[●]	[●]%	[●]%

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

Portion for Retail Individual Bidders <sup>#</sup>	[●]% of the Amount Allotted (plus GST)
Portion for Non-Institutional Bidders <sup>#</sup>	[●]% of the Amount Allotted (plus GST)

<sup>#</sup> Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

No additional uploading/processing charges shall be payable by the Company to the SCSBs on the Bid cum Application Forms directly procured by them. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid book.

- Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are procured by the members of the Syndicate / sub-Syndicate / Registered Brokers / RTAs / CDPs and submitted to SCSBs for blocking, would be as follows.

Portion for Retail Individual Bidders <sup>#</sup>	₹ [●] per ASBA Form (plus GST)
Portion for Non-Institutional Bidders <sup>#</sup>	₹ [●] per ASBA Form (plus GST)

<sup>#</sup>Based on valid Bid cum Application Forms.

- Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are procured by members of the Syndicate (including their sub-Syndicate members), RTAs and CDPs would be as follows:

Portion for Retail Individual Bidders <sup>#</sup>	[●]% of the Amount Allotted (plus GST)
Portion for Non-Institutional Bidders <sup>#</sup>	[●]% of the Amount Allotted (plus GST)

<sup>#</sup> Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

- Bidding/uploading Charges payable to members of the Syndicate (including their Sub-Syndicate Members), Registered Brokers, CRTAs and CDPs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are procured by them and submitted to SCSB for blocking, would be ₹ [●] per valid application. The selling commission and Bidding Charges payable to the Registered Brokers, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book.



The Issue expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective Intermediaries by our Company.

### **Appraisal and Bridge Loans**

The Objects have not been appraised by any banks, financial institutions or agency. Further, our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be utilised from the Net Issue Proceeds.

### **Year wise Deployment of Funds / Schedule of Implementation**

As on the date of this Draft Red Herring Prospectus, no funds have been deployed on these objects. The entire Issue proceeds is proposed to be deployed in the Financial Year 2021-22.

### **Monitoring of Utilization of Funds**

Since the proceeds from the Issue do not exceed ₹ 10,000 lakhs, in terms of Regulation 137 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee will monitor the utilisation of the proceeds of the Issue. 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 investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the 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 utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the proceeds from the Issue from the objects of the Issue as stated above.

### **Interim Use of Funds**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

### **Other Confirmations / Payment to Promoter and Promoter's Group from the IPO Proceeds**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, members of the Promoter Group, our Directors or our Key Managerial Personnel except in the normal course of business and in compliance with applicable law.

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with our Promoter, Directors, or Key Managerial Personnel in relation to the utilisation of the Net Proceeds. Further, there are no existing or anticipated interest of such individuals and entities in the Objects of the Issue as set out above.

## BASIS FOR ISSUE PRICE

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

Investors should also see “*Our Business*”, “*Risk Factors*” and “*Financial Information*” on page nos. 87, 19 and 139 respectively, of this Draft Red Herring Prospectus to have an informed view before making an investment decision.

### Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

- Well Qualified & Experienced Management
- Wide range of products in lubricants
- Well established client relationship
- Existing International Trade Relations

For more details on qualitative factors, refer to chapter “*Our Business*” on page no. 87 of this Draft Red Herring Prospectus.

### Quantitative Factors

The information presented in this section for the Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019 is derived from our Restated Consolidated Financial Information. For more details on financial information, investors please refer the chapter titled “*Financial Information*” on page no. 139 of this Draft Red Herring Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

#### 1) Basic and Diluted Earnings / Loss Per Share (“EPS”)

Year ended March 31,	Basic & Diluted	
	EPS (in ₹)	Weights
2021 <sup>(1)</sup>	2.48	3
2020 <sup>(1)</sup>	1.99	2
2019 <sup>(1)</sup>	1.48	1
<b>Weighted Average</b>		<b>2.15</b>

<sup>(1)</sup> Based on the Consolidated Restated Financials of our Company

#### Notes:

- a. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (₹)} = \frac{\text{Net profit / (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year /period}}$$

- b. Diluted EPS has been calculated as per the following formula:

$$\text{Diluted EPS (₹)} = \frac{\text{Net profit / (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year /period}}$$

- c. Basic and Diluted EPS calculations are in accordance with Ind AS 33 “Earnings per Share”, notified under section 133 of Companies Act, 2013 read together along with paragraph 7 of Companies (Accounting) Rules, 2014

d. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Consolidated Financial Information as appearing in “Annexure V & VI” of the “Consolidated Restated Financial Statements” beginning on page no. 139 of this Draft Red Herring Prospectus.

## 2) Price Earnings Ratio (“P/E”) in relation to the Issue price of ₹ [●] per share of ₹ 10 each

Particulars	P / E Ratio
P/E ratio based on basic and diluted EPS for the year ended March 31, 2021	[●]
P/E ratio based on weighted average EPS for the year ended March 31, 2021	[●]

Industry P/E <sup>(1)</sup>	
Highest – Jubilant Ingrevia Limited	153.80
Lowest – Kanchi Karpooram Limited	6.80
Industry Average	46.30

<sup>(1)</sup> Source: Capital Market, Vol. XXXVI/13, Aug 09 –22, 2021; Segment: Chemicals

## 3) Return on Net worth (RoNW)

Year ended March 31,	RoNW (%)	Weight
2021 <sup>(1)</sup>	14.68	3
2020 <sup>(1)</sup>	12.95	2
2019 <sup>(1)</sup>	11.34	1
<b>Weighted Average</b>		<b>13.55</b>

<sup>(1)</sup> Based on the Consolidated Restated Financials of our Company

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

$$\text{RoNW} = \frac{\text{Net profit /loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

## 4) Net Asset Value (NAV)

Financial Year	NAV (₹)
NAV as at March 31, 2021 <sup>(1)</sup>	16.87
Issue Price (₹)	[●]
NAV after Issue <sup>(1)</sup>	[●]

<sup>(1)</sup> Based on the Consolidated Restated Financials of our Company

**Note:** Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares at the end of the year}}$$

## 5) Comparison with Industry Peers

We believe following is our peer group which has been determined on the basis of listed public companies comparable in the similar line of segments in which our Company operates i.e. Lubricant Oils, whose business segment in part or full may be comparable with that of our business, however, the same may not be exactly comparable in size or business portfolio on a whole with that of our business.

Name of the Company	EPS (₹)	Face Value (₹)	P/E Ratio <sup>(2)</sup>	RoNW (%) <sup>(4)</sup>	NAV Per Share (₹) <sup>(5)</sup>
<b>Peer Group<sup>(1)</sup></b>					
Gulf Oil Lubricants India Limited	39.86	2.00	16.29	23.01	172.81
Tide Water Oil (India) Limited	415.80	5.00	7.52	19.19	2,113.64
Petronet LNG Limited	19.59	10.00	11.14	24.89	78.71
Confidence Petroleum India Limited	1.74	1.00	36.09	9.28	18.78
Castrol India Limited	5.89	5.00	23.48	41.22	14.30
Savita Oil Technologies Limited	159.16	10.00	9.30	20.51	775.69

Source: Financial Results / Annual Report of the Company filed with the Stock Exchanges

Name of the Company	EPS (₹)	Face Value (₹)	P/E Ratio <sup>(2)</sup>	RoNW (%) <sup>(4)</sup>	NAV Per Share (₹) <sup>(5)</sup>
<b>The Company</b>					
Maximus International Limited	2.48	10	[●] <sup>(3)</sup>	14.68	16.87

Source: Restated Consolidated Financial Information of our Company as disclosed on page no. 139 of this Draft Red Herring Prospectus.

**Note:**

- 1) The peer group figures based on audited consolidated financials as on and for the year ended March 31, 2021. For Castrol India Ltd audited financials figures are based on December 31, 2020 as the company follows December 31, 2020 as financial year ending.
  - 2) P/E figures for the peer is computed based on closing market price as on July 30, 2021, of relevant peer companies as available at BSE, (available at [www.bseindia.com](http://www.bseindia.com)) divided by Basic EPS for FY 21 reported in the filings made with stock exchanges.
  - 3) Based on the Issue Price to be determined on conclusion of book building process and the basic EPS of our Company
  - 4) Return on net worth (%) = Net profit after tax \* 100 / Net worth at the end of the year
  - 5) Net Asset value per share = Net worth at the end of the year / No. of shares outstanding at the end of year
- 6) The Issue Price ₹ [●] has been determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand from investors for the Equity Shares determined through the Book Building Process and is justified based on the above qualitative and quantitative parameters. Investor should read the above mentioned information along with the section titled “Risk Factors” on page no. 19 of this Draft Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the section titled “Financial Information” on page no. 38 of this Draft Red Herring Prospectus. The trading price of the Equity Shares could decline due to the factors mentioned in section titled “Risk Factors” on page no. 19 of this Draft Red Herring Prospectus and an investor may lose all or part of his investment.

## STATEMENT OF TAX BENEFITS

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS, IN INDIA AND IN RESPECTIVE COUNTRIES (IN THE CASE OF MATERIAL SUBSIDIARIES).

To,  
The Board of Directors  
**Maximus International Limited**  
504A, Ozone, Dr. Vikram Sarabhai Marg,  
Vadi-wadi, Vadodara, Gujarat - 390 003

#### **Proposed Further Public Offer of equity shares (“FPO”) of Maximus International Limited (the “Issuer”/ “Company”).**

1. This report is issued in accordance with the terms of our engagement letter dated July 20, 2021.
2. The accompanying Statement of Possible Special Tax Benefits available to the Company, its Shareholders and its material subsidiaries (hereinafter referred to as “the Statement”) under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021, hereinafter referred to as the (“Indian Income Tax Regulations”) and the Income Tax regulations in the respective countries where the material subsidiaries are located has been prepared by the management of the Company in connection with the proposed offer.

#### **Management’s Responsibility**

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus is the responsibility of the management of the Company. The management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

#### **Auditor’s Responsibility**

4. Our work has been carried out in accordance with the Standards on Auditing, the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2019)” and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.
5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended, (the “ICDR Regulations”) and the Companies Act 2013 (“Act”), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company, its shareholders and the material subsidiaries of the Company in accordance with Indian Income Tax Regulations and the Income Tax regulations of the respective countries where material subsidiaries are located as at the date of our report.
6. It is imperative to note that we have relied upon a representation from the Management of the Company and confirmations received from the Tax Advisors in India as well as of the respective foreign material subsidiaries of the Company with respect to the special tax benefits in their respective foreign jurisdictions. List of material subsidiaries as identified by the Company on the date of signing of this report:

Sr. No.	Name of the Entities	Relation	Country
1	Maximus Global FZE (“MGF”)	Subsidiary	Sharjah, UAE
2	Maximus Lubricants LLC (“MLL”)	Step Down Subsidiary	Sharjah, UAE
3	Quantum Lubricants (E.A.) Limited (“QLL”)	Step Down Subsidiary	Nairobi, Kenya

7. Our work is performed solely to assist the Management in meeting their responsibilities in relation to compliance with the Act and the Regulations in connection with the offering.

## **Inherent Limitations**

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders or its material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the respective tax laws. Hence, the ability of the Company or its shareholders or its material subsidiaries to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

The 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.

Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of Indian Income Tax Regulations and the Income Tax regulations of the respective countries where the material subsidiaries are located, and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We shall not be liable to the Company for any claims, liabilities or expenses arising from facts and disclosure in statement of tax benefits determined to have resulted primarily from bad faith or intentional misrepresentation. We will not be liable to any other person in respect of this Statement.

## **Opinion**

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as on the date of signing of this report, to the Company, its shareholders and its material subsidiaries, in accordance with the Indian Income Tax Regulations and the Income Tax regulations of the respective jurisdiction where the material subsidiaries are located. Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:
- The Company or its shareholders or its material subsidiaries will continue to obtain the benefits per the Statement in future; or
  - The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

## **Restriction on Use**

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus prepared in connection with the Offering to be filed by the Company with the Securities and Exchange Board of India, concerned stock exchanges and Registrar of Companies, Ahmedabad, Gujarat. Accordingly, this report should not be reproduced or used for any other purpose without our prior written consent.

For **M/s. C N K & Associates, LLP,**  
**Chartered Accountants**  
(Firm Registration No. 101961W/W-100036)

**CA Pareen Shah**  
**Partner**  
Membership No: 125011  
UDIN: 21125011AAAEEA9397

Place: Vadodara  
Date: August 21, 2021

## ANNEXURE TO THE STATEMENT OF TAX BENEFITS

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS, IN INDIA AND IN RESPECTIVE COUNTRIES (IN THE CASE OF MATERIAL SUBSIDIARIES).

#### A. SPECIAL TAX BENEFITS TO THE COMPANY AND ITS MATERIAL SUBSIDIARY

Neither the Issuer Company (“Maximus International Limited”) nor any of its material subsidiaries, namely (1) Maximus Global FZE (“MGF”), (2) Maximus Lubricants LLC (“MLL”) and (3) Quantum Lubricants (E.A.) Limited (“QLL”) are entitled to any special tax benefits under the Direct and Indirect Tax Laws, as applicable in India and in the respective Countries.

#### B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Issuer Company are not entitled to any special tax benefits under the Direct and Indirect Tax Laws, as applicable.

#### Note:

- 1) These special tax benefits are dependent on the Company or its shareholders or its material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Indian Income Tax Regulation and Income Tax regulations of the respective countries where material subsidiaries are located. Hence, the ability of the Company or its shareholders or its material subsidiaries to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders or its material subsidiaries may or may not choose to fulfil.
- 2) The special tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences 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 Offer.
- 3) The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
  - the Company or its shareholders or its material subsidiaries will continue to obtain these benefits in future;
  - the conditions prescribed for availing the benefits have been/ would be met with; and
  - the revenue authorities/courts will concur with the view expressed herein.
- 4) The above views are based on the existing provisions of laws which are subject to change from time to time.

For **M/s. C N K & Associates, LLP,**  
**Chartered Accountants**  
(Firm Registration No. 101961W/W-100036)

**CA Pareen Shah**  
**Partner**  
Membership No: 125011  
UDIN: 21125011AAAAEA9397

Place: Vadodara  
Date: August 21, 2021

## SECTION VI – ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the “Risk Factors” and “Financial Statements” and related notes beginning on page nos. 19 and 139 of this Draft Red Herring Prospectus.*

#### Global Economic Overview

After an estimated 3.5 percent contraction in 2020, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. The estimate for 2020 is 0.9 percentage point higher than projected in the October WEO forecast. This reflects the stronger than-expected recovery on average across regions in the second half of the year. The 2021 growth forecast is revised up 0.3 percentage point, reflecting additional policy support in a few large economies and expectations of a vaccine-powered strengthening of activity later in the year, which outweigh the drag on near-term momentum due to rising infections. The upgrade is particularly large for the advanced economy group, reflecting additional fiscal support—mostly in the United States and Japan—together with expectations of earlier widespread vaccine availability compared to the emerging market and developing economy group.

#### Global Trade

Consistent with recovery in global activity, global trade volumes are forecast to grow about 8 percent in 2021, before moderating to 6 percent in 2022. Services trade is expected to recover more slowly than merchandise volumes, however, which is consistent with subdued cross-border tourism and business travel until transmission declines everywhere.

#### Inflation

Even with the anticipated recovery in 2021–22, output gaps are not expected to close until after 2022. Consistent with persistent negative output gaps, inflation is expected to remain subdued during 2021–22. In advanced economies it is projected to remain generally below central bank targets at 1.5 percent. Among emerging market and developing economies inflation is projected just over 4 percent, which is lower than the historical average of the group.

Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. The 2021 forecast is revised up 0.3 percentage point relative to the previous forecast, reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies.

The projected growth recovery this year follows a severe collapse in 2020 that has had acute adverse impacts on women, youth, the poor, the informally employed, and those who work in contact-intensive sectors. The global growth contraction for 2020 is estimated at -3.5 percent, 0.9 percentage point higher than projected in the previous forecast (reflecting stronger-than-expected momentum in the second half of 2020).

Policy actions should ensure effective support until the recovery is firmly underway, with an emphasis on advancing key imperatives of raising potential output, ensuring participatory growth that benefits all, and accelerating the transition to lower carbon dependence. As noted in the October 2020 World Economic Outlook (WEO), a green investment push coupled with initially moderate but steadily rising carbon prices would yield needed emissions reductions while supporting the recovery from the pandemic recession.

Strong multilateral cooperation is required to bring the pandemic under control everywhere. Such efforts include bolstering funding for the COVAX facility to accelerate access to vaccines for all countries, ensuring universal distribution of vaccines, and facilitating access to therapeutics at affordable prices for all. Many countries, particularly



low-income developing economies, entered the crisis with high debt that is set to rise further during the pandemic. The global community will need to continue working closely to ensure adequate access to international liquidity for these countries. Where sovereign debt is unsustainable, eligible countries should work with creditors to restructure their debt under the Common Framework agreed by the G20.

**Latest World Economic Outlook  
Growth Projections**

(real GDP, annual percent change)

	ESTIMATE			PROJECTIONS		
	2020	2021	2022	2020	2021	2022
<b>World Output</b>	-3.5	5.5	4.2			
<b>Advanced Economies</b>	-4.9	4.3	3.1			
United States	-3.4	5.1	2.5			
<b>Euro Area</b>	-7.2	4.2	3.6			
Germany	-5.4	3.5	3.1			
France	-9.0	5.5	4.1			
Italy	-9.2	3.0	3.6			
Spain	-11.1	5.9	4.7			
<b>Japan</b>	-5.1	3.1	2.4			
<b>United Kingdom</b>	-10.0	4.5	5.0			
<b>Canada</b>	-5.5	3.6	4.1			
<b>Other Advanced Economies</b>	-2.5	3.6	3.1			
<b>Emerging Markets and Developing Economies</b>	-2.4	6.3	5.0			
<b>Emerging and Developing Asia</b>	-1.1	8.3	5.9			
China	2.3	8.1	5.6			
India	-8.0	11.5	6.8			
ASEAN-5	-3.7	5.2	6.0			
<b>Emerging and Developing Europe</b>	-2.8	4.0	3.9			
Russia	-3.6	3.0	3.9			
<b>Latin America and the Caribbean</b>	-7.4	4.1	2.9			
Brazil	-4.5	3.6	2.6			
Mexico	-8.5	4.3	2.5			
<b>Middle East and Central Asia</b>	-3.2	3.0	4.2			
Saudi Arabia	-3.9	2.6	4.0			
<b>Sub-Saharan Africa</b>	-2.6	3.2	3.9			
Nigeria	-3.2	1.5	2.5			
South Africa	-7.5	2.8	1.4			

Note: For India, data and forecasts are presented on a fiscal year basis, with fiscal year 2020/21 starting in April 2020. India's growth projections are -7.6% in 2020 and 11 percent in 2021 based on calendar year.

Source: IMF, World Economic Outlook Update, January 2021

## Indian Economic Overview

After the 2020 huge GDP contraction, economic growth is projected to bounce back in 2021, driven by pentup demand for consumer and investment goods, before declining in 2022. The dramatic infections upsurge since February has weakened the nascent recovery and may compound financial woes of corporates and banks. As public anxiety over the virus spreads and lockdowns multiply, high-frequency indicators suggest that a marked slowdown may have taken place in the April-June quarter, although the overall annual impact is likely to be muted. Wholesale and retail inflation rates remain elevated, but within the target range of the central bank.

The damage that COVID-19 continues to inflict on the poor makes it necessary to prioritise policies that reduce scarring effects, in particular for children that have been out of school for months, and increase investment and employment opportunities. The banking sector remains fragile, although the proposal to create an asset recovery company and the planned privatisation of two public banks testify to the authorities' commitment to reforms. The healthy foreign exchange reserves position should provide sufficient buffers to deal with any potential external shock-driven capital-stop or outflows in the period ahead.

## The second wave of the virus hit hard

India's new confirmed COVID-19 virus infections have risen very rapidly, from a daily minimum of 13 000 cases in late January to more than 400 000 in early May. Although about 20% of the population is estimated to have antibodies, a rapidly transmissible strain doing the rounds, laxity in the application of social distancing and chronic underinvestment in public health make the situation calamitous. Localised containment measures have been reinstated and are impacting mobility, but a new nation-wide lockdown is unlikely. The inoculation rollout is slow, with domestic

take-up far below the pace needed to meet the goal of vaccinating 300 million people by August. The National COVID-19 Vaccination Programme that has come into effect in May 2021 could help close that gap, notably by increasing vaccine supply and opening access to anybody beyond the age of 18.

**India: Demand, output and prices**

	2017	2018	2019	2020	2021	2022
	Current prices INR trillion	Percentage changes, volume (2011/2012 prices)				
<b>India</b>						
<b>GDP at market prices</b>	170.9	6.5	4.0	-7.7	9.9	8.2
Private consumption	100.4	7.6	5.5	-10.5	9.3	7.0
Government consumption	18.4	6.3	7.9	-1.9	9.8	3.9
Gross fixed capital formation	48.2	9.9	5.4	-14.0	16.3	16.4
Final domestic demand	166.9	8.1	5.8	-10.7	11.2	9.3
Stockbuilding <sup>1,2</sup>	9.4	0.4	-0.7	-1.1	0.0	0.0
Total domestic demand	176.3	5.9	4.4	-9.8	12.2	9.6
Exports of goods and services	32.1	12.3	-3.3	-6.9	14.9	6.5
Imports of goods and services	37.5	8.6	-0.8	-16.5	25.7	13.0
Net exports <sup>1</sup>	-5.4	0.4	-0.5	2.4	-2.4	-1.7
<b>Memorandum items</b>						
GDP deflator	-	3.7	3.6	3.6	3.9	5.2
Consumer price index	-	3.4	4.8	6.5	5.4	4.8
Wholesale price index <sup>3</sup>	-	4.3	1.7	0.6	4.0	3.7
General government financial balance <sup>4</sup> (% of GDP)	-	-5.5	-6.5	-10.0	-9.6	-7.0
Current account balance (% of GDP)	-	-2.1	-0.9	1.4	-0.4	-1.4

Note: Data refer to fiscal years starting in April.  
1. Contributions to changes in real GDP, actual amount in the first column.  
2. Actual amount in first column includes statistical discrepancies and valuables.  
3. WPI, all commodities index.  
4. Gross fiscal balance for central and state governments.  
Source: OECD Economic Outlook 109 database.

### The resurgence in infections is delaying the recovery

Domestic demand has been on the mend since mid-2020 and near-term prospects were improving until recently. The Purchasing Managers' Index points to a recovery of the economy, with recent readings stable at levels above the medium-term average. Merchandise exports and imports surged to record levels in March. Financial markets have attracted considerable foreign portfolio flows, reflecting global trends and sound results, at least for large corporates. Foreign exchange reserves remain close to the all-time record level registered in January, reflecting the central bank's strategy to build a buffer to tide over any possible impact of the unwinding of the anti-pandemic measures taken in advanced economies. Even before the new COVID-19 flare up, some weaknesses were emerging, especially in services where demand remains well below normal. Recent mobility data, including freight rail traffic, as well as non-mobility indicators such as electricity consumption and e-way bills generation, indicate weakening recovery momentum. The unemployment rate was volatile in the six months to March 2021, before rising in April, and city lockdowns are spurring waves of return migration to rural areas. Inflation fears are mounting, stoked by prices of vegetables growing fast due to supply-chain disruptions and the firming of fuel price.

Source: OECD Economic Outlook, Volume 2021 Issue 1: Preliminary Version © OECD 2021

### GLOBAL LUBRICANTS INDUSTRY

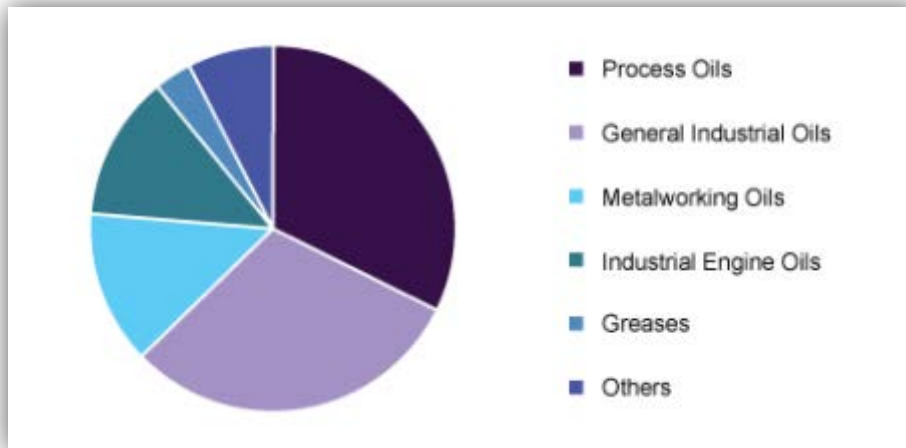
The global lubricants market size was valued at USD 125.81 billion in 2020 and is expected to grow at a compound annual growth rate (CAGR) of 3.7%. The industry dynamics are changing, in terms of raw material, owing to the rising demand for bio-based lubricants. The growing trade of vehicles and their spare parts is anticipated to fuel the demand for automotive oils and greases. The major economic recovery in North America and Europe is expected to boost the consumer vehicles segment, which, in turn, is a boon for the market. Typical lube manufacturers use crude oil, CBM, tight oil, and other additives to formulate all types of lubricants.

### Application Insights

In terms of volume, the automotive segment dominated the market with a share of more than 57% in 2020. This high share is attributed to the increased sales of consumer automotive, such as trucks, busses, and other forms of passenger transport. Economic growth in emerging countries, such as China, India, and Brazil, has led to the betterment of public transportation in these regions. This trend is expected to strengthen commercial automotive oil demand, thereby supporting segment growth over the forecast years.

Increasing industrial production in emerging markets of Asia Pacific and Latin America is anticipated to drive industrial oil products demand over the forecast period. Mining, unconventional energy, and chemicals industries are projected to be among the largest markets for industrial lubricants. This trend is expected to boost the demand for industrial lubricants in applications, such as industrial engines, compressors, hydraulics, bearings, and centrifuges.

**Global industrial lubricants market share, by application, 2020(%)**



Source: [www.grandviewresearch.com](http://www.grandviewresearch.com)

### Regional Insights

Asia Pacific dominated the global market with a volumetric share of over 43% in 2020 and will expand further at the fastest CAGR, in terms of volume as well revenue. This is attributed to the increasing growth in the base oil movement, rapid industrialization & urbanization, rising population, and high growth in major end-use industries, such as textiles, chemicals, food processing, and metalworking. The market presents several lucrative opportunities to innovators who tap into niche applications and introduce newer products with advantageous product characteristics. Moreover, major industry players are also shifting their production facilities to Asia Pacific owing to the presence of low-cost labor, ever-increasing demand, and favorable government policies.

Europe has a high growth potential for industrial lube products due to rapidly growing chemical manufacturing facilities in the region. The heavy growth is largely driven by the intervention of several multinational chemical manufacturers across countries, such as Russia, the U.K., France, and Germany. These industrial lubes are by large utilized for multiple applications, such as the production of fertilizers, rotatory as well as compressor units in manufacturing units, and more, which helps in multiple-fold increase in operating cycle as well as the performance of machinery that undergo severe stress.

Latin America is projected to formulate several trade strategies to attract Foreign Direct Investment (FDI) for infrastructure development. Various policies to promote investment and partnerships with the private sector have been formulated to address port and transportation infrastructure opportunities across the region. Brasil Terminal Portuario, one of the busiest container ports in Latin America, is also planning multiple terminal development projects in Moin, Costa Rica, Mexico, and Peru. These initiatives, in turn, are expected to boost product demand in the region's marine industry in the coming years.

Most MEA countries are highly dependent upon crude oil production and the consequent revenue generated from this industry. Numerous countries in this region have undertaken efforts to diversify their economies in an attempt to reduce the dependency on crude oil. This, in turn, has fostered industrial development and boosted the demand for industrial machinery supporting market growth.

Source: <https://www.grandviewresearch.com/industry-analysis/lubricants-market>

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## INDIA LUBRICANTS INDUSTRY

The India Lubricants Market is segmented by Product Type (Engine Oil, Transmission and Hydraulic Fluid, Metal Working Fluid, General Industrial Oil, Gear Oil, Grease, Process Oil, and Other Product Types) and End-user Industry (Automotive, Industrial, Agriculture, and Other End-user Industries).

### Market Overview

- The Indian lubricants market was valued at over 2,610 kiloton in 2020, and the market is projected to register a CAGR of more than 1.5%.
- Due to the COVID-19 impact in the first half of 2020, the industrial sector in the country witnessed a negative impact in 2020. Due to the lockdown during the pandemic period, automobile production has been halted, and plants are temporarily shut down. This, in turn, affected the demand for lubricants in 2020. The automobile production in the country declined to 2.16 million units in the first nine months of 2020 from 3.51 million units in the same period of 2019.
- In the short term, major factor like the increasing usage of high-performance synthetic lubricants is expected to drive the demand for lubricants in the country.
- On the flip side, the slowdown in the automotive sector is likely to hinder market's growth.
- The automotive segment dominated the market in the country with more than 50% share by end-user industry in 2020.

### Key Market Trends

#### *Engine Oil Segment Has Dominated the Demand*

- The three typical types of engine oil can be listed as full synthetic oil, semi-synthetic oil, and mineral oil.
- Full synthetic oil is the most refined type of engine oil that is commonly used in high-performance bikes. This oil has a longer shelf life as compared to the other two types of engine oils. The only downside of this engine oil is the heavy pricing associated with synthetic oil.
- Semi-synthetic oil is a mixture of non-conventional and high-performance fluid additives combined with traditional engine oil. Semi-synthetic oil exhibits the properties of both synthetic oil in terms of their performance. Typically, this oil is used in low-capacity engines, like 125-180 cc bikes.
- Mineral oil is the most used type of engine oil in the Indian scenario. It is extracted from petroleum products. and is hence termed mineral oil. It is widely used in lower-capacity bikes, like mopeds, scooters, etc. Although the oil lasts for smaller distances, it is highly affordable, and hence, it has a high demand for its affordability and ability to protect engines.

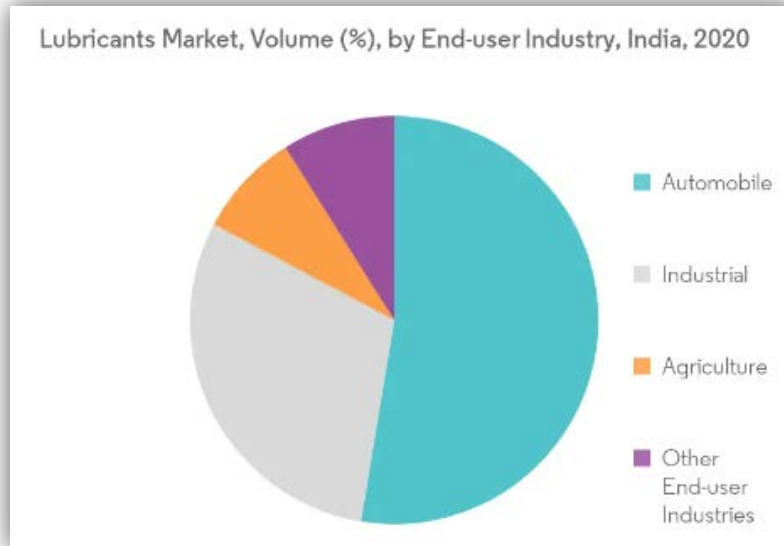
The Indian two-wheeler production is on a constant growth scale. One of the most prominent components that is directly impacted by two-wheeler production and consumption is the engine oil segment. Engine oil is one of those products that is highly in demand and lives upon the two-wheeler market.

#### *Automotive Industry to Dominate the Market*

- The automotive segment is the largest end-user market for lubricants in India. Light-duty vehicles include two-wheelers and passenger cars. Engine oils, gear oils, transmission oils, greases, and compressor oils are the most widely used lubricants in these automobiles. Lubricants have a good share in both the OEM and the aftermarket.
- Typical medium-duty trucks include utility, courier and package delivery trucks, ambulances, shuttle buses, school buses, and recreational vehicles. However, straight trucks continue to be the predominant medium-duty chassis.
- The country's automotive industry accounts for around 7.1% of the country's GDP, in which the two-wheeler segment accounts for a share of around 81% share, owing to the growing young and middle-class population. Additionally, the government's initiatives, such as the Make in India campaign, are helping the local and state-owned manufacturers to provide their products to consumers and offer stiff competition to the international players.
- Moreover, with the consistent economic development and rising incomes, the automotive industry has been witnessing a continued shift in vehicle preferences, from two- to four-wheelers, which helps to augment the demand for passenger car motor oils (PCMO).

- However, India’s automotive industry has been declining for the past year due to a continuous slump in demand, slowing economic activity, and an increase in vehicle ownership costs. The outbreak of COVID-19 has further affected the economy at present, as all the manufacturing sectors have been stopped due to lockdown.

Thus, the aforementioned factors are expected to impact the automotive industry, which, in turn, may affect the growth of the lubricant demand in the country.



Source: Mordor Intelligence

Source: <https://www.mordorintelligence.com/industry-reports/india-lubricants-market>

## UNITED ARAB EMIRATES (UAE) LUBRICANTS INDUSTRY

The United Arab Emirates (UAE) Lubricants Market is segmented by Product Type (Engine Oil, Transmission and Hydraulic Fluid, General Industrial Oil, Gear Oil, Grease, and Other Product Types), End-user Industry (Power Generation, Automotive and Transportation, Heavy Equipment, Food and Beverage, and Other End-user Industries)

### Market Overview

- The UAE lubricants market is expected to witness a CAGR of less than 2%. The major factor driving the growth of the market studied is the expanding construction sector in the United Arab Emirates. On the flipside, the high price of synthetic lubricants and the increasing drain intervals are expected to hinder the growth of the market studied.
- Investments and government plans to support industrial growth in the country are likely to provide a major growth opportunity for the market.
- Automotive and other transportation segment dominated the market and is expected to continue its dominance.

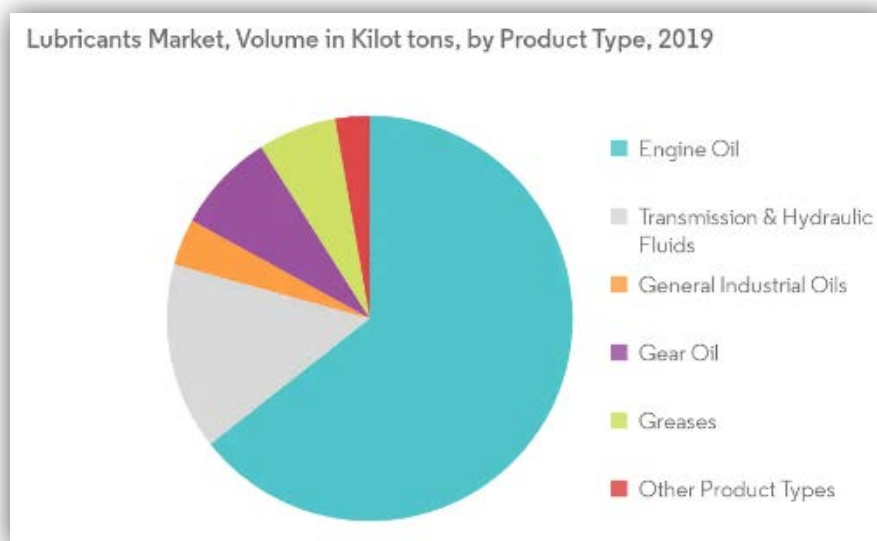
### Key Market Trends

#### *Increasing Construction Activities to Drive the Demand in the Country*

- The construction sector in the country has been expanding at a significant rate, since the past few years. The trend is expected to continue, primarily due to the increasing number of initiatives taken by the government to develop infrastructure and construction, as well as the improving investor confidence in the country’s economy.
- Additionally, the construction sector is expected to witness a considerable growth in Abu Dhabi. This growth is primarily owing to the implementation of grand ventures in the major cities of the United Arab Emirates.
- The domestic residential construction market is dominated by the United Arab Emirates’ two major cities, Dubai and Abu Dhabi. The UAE government announced its decision to bridge the gap between the supply and demand of housing units. The government has also allocated land in Al Quoz and Muhaisnah (Dubai) for the construction of affordable housing units.

### Engine Oil Segment to Dominate the Market

- Engine oils are widely used for lubricating internal combustion engines in different types of automobiles. They are generally composed of base oils and additives.
- The base stock is responsible for lubricating the moving parts in the engine and for removing the excess built-up heat. Meanwhile, additives are added for controlling the oil viscosity and lubricity, as well as protecting the engine parts against wear and tear.
- Various types of additives that are added in engine oils include oxidation inhibitor additives, dispersant additives, detergent additives, anti-foaming additives, viscosity index modifiers, anti-wear additives, corrosion inhibitor additives, and anti-freeze additives.
- Some of the chief functions offered by engine oils are resistance against corrosion and wear and tear to ensure increased engine life and better performance; reduce friction; increase engine performance; reduce fuel consumption; remove impurities and achieve engine cleanliness; optimize engine efficiency; and prevent energy loss by providing optimum cooling.
- Due to the persistence of very high temperature in the United Arab Emirates, engine oils that are thick in nature are widely used. The usage of thin oils leads to the quick exhaustion of oils and engine damage.



Source: Mordor Intelligence

Source: <https://www.mordorintelligence.com/industry-reports/uae-lubricants-market>

### AFRICA LUBRICANTS INDUSTRY

The Africa Lubricants Market is segmented by Group (Group I, Group II, Group III, Group IV, and Group V), Base Stock (Mineral Oil Lubricant, Synthetic Lubricant, and Semi-synthetic Lubricant), Product Type (Engine Oil, Transmission and Hydraulic Fluid, Metalworking Fluid, General Industrial Oil, Gear Oil, Grease, Process Oil, and Other Product Types), End-user Industry (Power Generation, Automotive and Other Transportation, Heavy Equipment, Food and Beverage, Metallurgy and Metalworking, Chemical Manufacturing, and Other End-user Industries), and Geography (Egypt, South Africa, Nigeria, Algeria, Morocco, Kenya, Zambia, Tanzania, Angola, Zimbabwe, Mauritius, Botswana, and Rest of Africa).

#### Market Overview

The African lubricants market was valued at 1,774.36 kiloton in 2020, and the market is projected to register a CAGR of 1.47%. Due to the COVID-19 pandemic in the region during the first half of 2020, the automobile and transportation and various other industrial sectors were affected significantly. For instance, the sales in the South African automotive industry declined at an estimated growth of -16% in 2020 compared to the previous year.

In the short term, the factors such as demand from the expanding wind energy sector and increasing demand from the manufacturing industry are expected to drive the demand in the market.

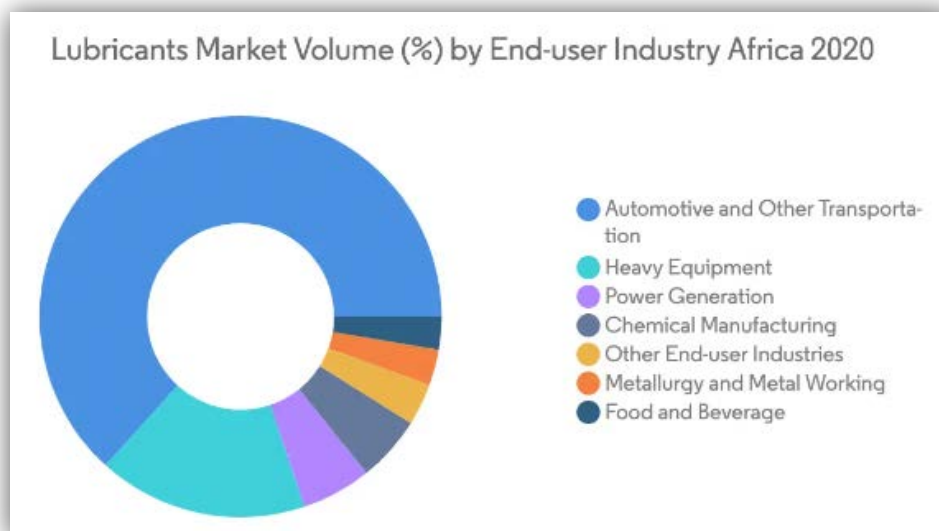
Developments in synthetic and bio-based lubricants and industrial growth in Africa are projected to act as an opportunity for the market in the future.

## Key Market Trends

### *Increasing Demand from the Growing Wind Energy Sector*

- Gear oils find application in wind turbines for lubrication of the main gearbox and other gear motor components. The lubricant requirements in wind turbine gearboxes are more stringent when compared to other industrial gear oils. This is due to the high temperatures, bearing wear, corrosion and oxidation, and load weights involved during the process of power generation.
- There is an increasing demand for synthetic gear oils in wind turbines, due to their enhanced properties, over their mineral-based counterparts, owing to the performance additives used during the formulation of synthetic oils.
- Despite facing competition from solar power generation, the wind power sector is expected to continue its growth. This, in turn, is expected to boost the demand for lubricants in a significant manner in the future.
- In Africa, countries such as Egypt, Morocco, Jordan, and South Africa, including Sub-Saharan Africa, are some of the major countries where the wind energy sector is witnessing positive growth, as various projects have been introduced and planned by the various companies and government.
- In Morocco, according to the Direction of Studies and Financial Forecasts (DEPF), a part of the Ministry of Interior of Morocco, the country is planning to generate 52% of its electricity by 2030. The Moroccan government heavily invested in solar and wind projects in the recent past to achieve this target.

Owing to all the above mentioned factors, the market for lubricants in the region is projected to grow in the sector.



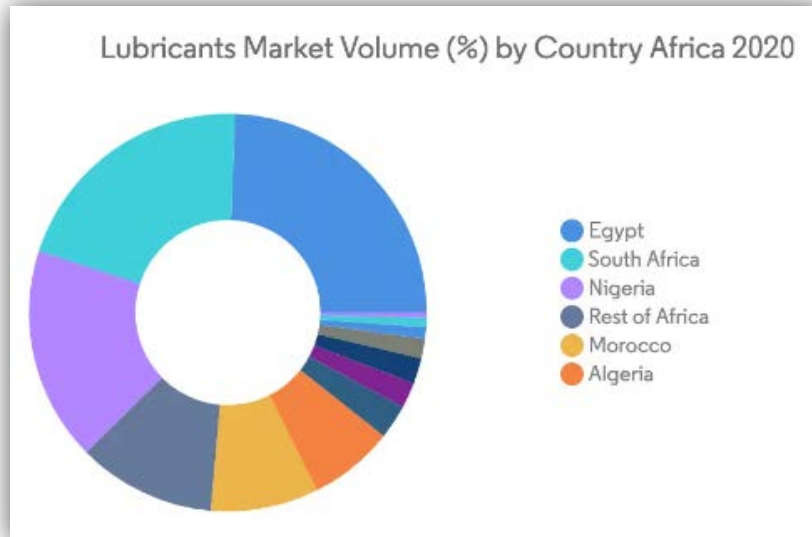
*Source: Mordor Intelligence*

### *South Africa to Experience Continued Growth*

- In the African region, South Africa witnessed continuous growth till 2019. According to the International Monetary Fund, South Africa recorded a GDP growth rate of around 0.2% in 2019. Owing to the COVID-19 pandemic, the GDP dropped by around 8% in 2020. The COVID-19 pandemic had a significant negative impact on the country's economy.
- South Africa is one of the major lubricants markets in the African region and is the highest consumer of group II base oils in the African region. Castrol is the leading lubricant brand consumed in the country, followed by Shell, Engen, and Chevron, respectively. Some other major lubricant companies operating in the country include Fuchs, Total, Centlube, etc.
- South Africa has also witnessed significant lubricant blending capacity expansions in the recent past. In March 2018, FUCHS lubricants South Africa completed a ZAR 125 million worth grease plant expansion project in its factory at Islando. Additionally, in 2020, the company announced its plans to invest around USD 14.9 million in constructing warehouses, offices, and a new lubricant blending plant in Johannesburg.

- South Africa has one of the largest food processing industries in the African region. Some of the major companies which supply food-grade lubricants to South Africa include Engen Petroleum Ltd., Fuchs, and Total. The growing population of the country is driving the need for lubricants in the food processing industry.

Hence, all such industrial trends are expected to influence the consumption of lubricants in the South African market.



Source: Mordor Intelligence

Source: <https://www.mordorintelligence.com/industry-reports/africa-lubricants-market>

## GLOBAL BASE OIL INDUSTRY

The global base oil market size was valued at USD 24.8 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 5.1%. Rising demand of Group I and Group II base oils in the automotive industry is projected to remain a key driving factor for market growth. Base oils are a major constituent of any lubricant which helps them to obtain different specifications such as viscosity, pour point, oxidation, thermal stability, seal compatibility, and additive solubility. The product is generally refined via multiple processing technologies that include conventional refining and other advanced refining techniques. Growing demand for industrial lubricants, greases, hydraulic fluids, thermal oils, and metalworking fluids made from raw stock fluids such as base oil is expected to fuel the growth of the market for base oil.

In light of the recent COVID-19 global pandemic, the demand for the product has been turbulent in 2020 due to supply chain disruptions associated with key feedstocks and a decline in demand from end-use markets. Crude oil availability and prices have been disruptive since early 2020 due to the virus outbreak which hampered the movement of the end-use market spectrum including, the industrial and automotive sectors. This led to the uneven supply of feedstocks and eventually slower-paced movement of application industries.

Moreover, the overall demand for lubricants is observed to be sluggish which is a reflection of projected low operating rates of base oil worldwide, since every lubricant is produced from the base oils. Further, the group I products are typically observed to be on top of the manufacturing price curve since the majority of the lubricant formulators lack group II and III production facilities. Therefore, for non-lubricant product formulations, application market participants highly depend on group II and group III products.

From a technological standpoint, the market for base oil has reflected significant changes since the past decade with manufacturers constantly investing in R&D activities to expand their portfolio. For instance, Gas-To-Liquid technology has been successfully commercialized with a rise in existing as well as planned capacity expansion worldwide. The GTL technology is considered to be promising with high industry opportunities to formulate premium lubricating oils through isomerization and existing catalytic hydrocracking processes.

Furthermore, several new GTL units are in the construction pipeline, with about 404,100 b/cd in additional capacity during the forecast period. Over 50.0% of the global GTL capacity is likely to be located in the Middle East,



specifically in Qatar, UAE, with others in the Asia Pacific, Western Europe, and North America. These regions are thus expected to continue being a primary source for high-quality lubricant suppliers.

Source: <https://www.grandviewresearch.com/industry-analysis/base-oil-market>

### **Market Trends, Drivers, Restraints, and Opportunities:**

- Rising automobile manufacturing is creating demand for engine oils which in turn is driving the growth of the market.
- Increasing crude oil prices has increased the cost of production which in turn is acting as a restraint for the growth of the market.
- Stringent environmental regulations have caused reduced consumption of fuel which in turn is a restraint in the market growth.
- The markets of emerging economies and the use of latest technologies are opportunities for the growth of the market.

### **Global Base Oil Market Segment Insights**

Based on product types, the market is divided into group I, group II, group III, group IV, and group V. The group I segment has the biggest segment in 2019 and is expected to witness the fastest growth with a substantial CAGR in forecast period due to large number of uses such as marine and gas motors, in trunk cylinder motor oils, and different applications in the base oil industry.

In terms of applications, the market is fragmented into automotive oils, industrial oils, hydraulic oils, greases, and metalworking fluids. The automotive segment has biggest share of the overall market in 2019 and is anticipated to witness the fastest CAGR during the forecast period attributable to the development of the automotive industries in developing nations such as India and China. Moreover, the move towards better fuel mileage and stricter emission standards is thus expanding the interest for lubricants and base oils.

On the basis of regions, the market is segmented into Asia Pacific, Europe, North America, the Middle East & Africa, and Latin America. Asia Pacific has the biggest regional market in 2019 and will extend further at highest CAGR during forecast period due to its expanding gross domestic product (GDP) driven by the rising industrial exercises has increased the interest for base oil in this region.

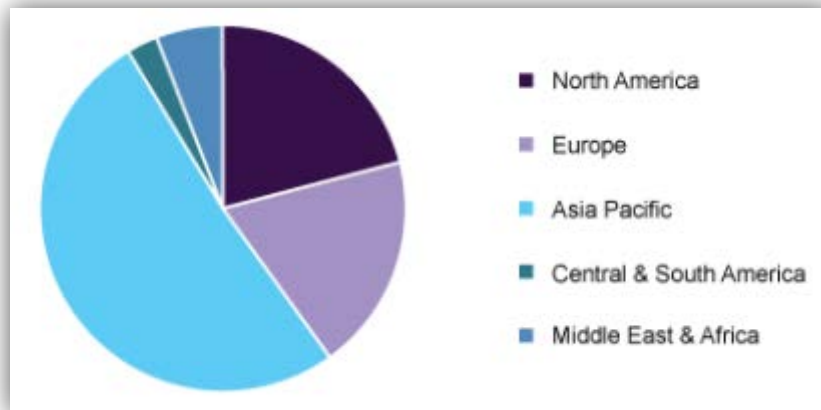
Source: <https://dataintelo.com/report/base-oil-market/>

### **Regional Insights**

Asia Pacific dominated the market for base oil and accounted for 49.3% of the global revenue in 2019. This is attributable to the adoption of the product in the automotive and industrial manufacturing sectors of emerging economies such as China, India, and South East Asia. Furthermore, favorable regulations aimed at promoting fuel efficiency from vehicles and industrial machines are expected to fuel the growth of the market for base oils over the next couple of years.

China is particularly a rich country owing to the presence of natural resources. The country is experiencing an increasing demand for industrial goods along with automobiles within the country and from the outside. It is home to a large chunk of the population while the economy is expected to improve at a considerable rate over the future. The country offers the availability of skilled labor at a low cost and is characterized by numerous manufacturing facilities thriving to become the world's largest exporter of all essential commodities.

### Global base oil market share, by region, 2019(%)



Source: [www.grandviewresearch.com](http://www.grandviewresearch.com)

Further, the demand for fuel-efficient vehicles is on the rise in Europe, owing to the implementation of stringent regulations such as the European Union Automotive Fuel Policy, and the EU Directives under which Regulation No 443/2009 set the average CO<sub>2</sub> emissions target for new passenger cars at 130 grams per kilometer. The presence of advanced processing technologies and increasing R&D efforts in developed countries such as the U.K., Germany, and France are expected to be other favorable factors driving the industry. The development of unique, high-performance lubricants using base oil is anticipated to drive the demand for base oil in the automotive, industrial machinery, and other sectors.

Source: <https://www.grandviewresearch.com/industry-analysis/base-oil-market>

### INDIAN OIL AND GAS INDUSTRY

Oil and gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy.

India's economic growth is closely related to its energy demand, therefore, the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment.

The Government has adopted several policies to fulfil the increasing demand. It has allowed 100% Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products and refineries among others.

According to IEA (India Energy Outlook 2021), primary energy demand is expected to nearly double to 1,123 million tonnes of oil equivalent, as the country's gross domestic product (GDP) is expected to increase to USD 8.6 trillion by 2040.

#### Market Size

- India is expected to be one of the largest contributors to non-OECD petroleum consumption growth globally. Crude Oil import rose sharply to US\$ 101.4 billion in 2019-20 from US\$ 70.72 billion in 2016-17.
- As of May 01, 2021, the sector's total installed provisional refinery capacity stood at 249.9 MMT; and IOC emerged as the largest domestic refiner, with a capacity of 69.7 MMT.
- As of December 01, 2020, India's oil refining capacity stood at 259.3 million metric tonnes (MMT), making it the second-largest refiner in Asia. Private companies own about 35.29% of the total refining capacity in FY20.
- In FY20, crude oil production in India stood at 32.2 MMT. In April 2021, the crude oil production stood at 2.5 MMT, while for FY21 it was 30.5 MMT. In FY20, crude oil import increased to 4.54 mbpd from 4.53 mbpd in FY19. Natural Gas consumption is forecast to reach 143.08 million tonnes (MT) by 2040. India's LNG import stood at 33.68 bcm during FY20.
- India's consumption of petroleum products grew 4.5% to 213.69 MMT during FY20 from 213.22 MMT in FY19. The total value of petroleum products exported from the country increased to US\$ 35.8 billion in FY20 from US\$ 34.9 billion in FY19. Export of petroleum products from India increased from 60.54 MMT in FY16 to 65.7 MMT in FY20.

- Exports of petroleum products from India reached 55.9 MMT in FY21 from 60.5 MMT in FY16.
- As of December 31, 2020, Gas Authority of India Ltd. (GAIL) had the largest share (69.39% or 11,884 kms) of the country's natural gas pipeline network (17,126 kms).

### Government Initiatives

Some of the major initiatives taken by the Government of India to promote oil and gas sector are:

- In February 2021, Prime Minister Mr. Narendra Modi announced that the Government of India plans to invest ~Rs. 7.5 trillion (US\$ 102.49 billion) on oil and gas infrastructure in the next five years.
- In Union Budget 2021, the government allocated funds worth Rs. 12,480 crore (US\$ 1.71 billion) for direct benefit transfer of LPG (liquefied petroleum gas) and Rs. 1,078 crore (US\$ 147.31 million) to feedstock subsidy to BCPL/Assam Gas Cracker Complex.
- In Union Budget 2021, the Finance Minister announced to provide 1 crore more LPG connections under Pradhan Mantri Ujjwala Yojana (PMUY) scheme.
- The Ministry of Petroleum and Natural Gas released a draft LNG policy that aims to increase the country's LNG re-gasification capacity from 42.5 million tonnes per annum (mtpa) to 70 mtpa by 2030 and 100 mtpa by 2040.
- The Ministry of Petroleum and Natural Gas released an 'Ethanol Procurement Policy' on a long-term basis under the 'Ethanol Blended Petrol (EBP) Programme' (October 11, 2019), which covers modalities for long-term ethanol procurement, proposed mechanisms for long-term procurement contracts, pricing methodology and other topics.
- As per Union Budget 2019-20, Indian Scheme 'Kayakave Kailasa', the Ministry of Petroleum & Natural Gas has enabled SC/ST entrepreneurs in providing bulk LPG transportation. State run energy firms, Bharat Petroleum, Hindustan Petroleum and Indian Oil Corporation, plan to spend US\$ 20 billion on refinery expansions to add units by 2022.
- The Government is planning to set up around 5,000 compressed biogas (CBG) plants by 2023.
- The Government is planning to invest US\$ 2.86 billion in the upstream oil and gas production to double natural gas production to 60 bcm and drill more than 120 exploration wells by 2022.

### Road Ahead

- Energy demand of India is anticipated to grow faster than energy demand of all major economies on the back of continuous robust economic growth. India's energy demand is expected to double to 1,516 Mtoe by 2035 from 753.7 Mtoe in 2017. Moreover, the country's share in global primary energy consumption is projected to increase by two-fold by 2035.
- Crude oil consumption is expected to grow at a CAGR of 3.60% to 500 million tonnes by 2040 from 221.56 million tonnes in 2017.
- India's oil demand is projected to rise at the fastest pace in the world to reach 10 million barrels per day by 2030, from 5.05 million barrel per day in 2020.
- Natural Gas consumption is forecast to increase at a CAGR of 4.18% to 143.08 million tonnes by 2040 from 58.10 million tonnes in 2018.
- Diesel demand in India is expected to double to 163 million tonnes (MT) by 2029-30.
- India is set to expand India's natural gas grid to 34,500 kms by adding another 17,000 km gas pipeline. The regasification capacity of the existing 42 MMT per annum will be expanded to 61 MMT per year by the year 2022.

Source: <https://www.ibef.org/industry/oil-gas-india.aspx>

### INDIAN BASE OIL INDUSTRY

Base Oil demand in India grew at a CAGR of 6-7% during 2015-2019 and is anticipated to achieve significant growth rate. Growing automotive and industrial sector in the country has led to increased demand for Base Oils and lubricants. Base Oil demand is expected to increase with India adopting to BS VI emission norms from BS IV causing several hardware changes to be introduced in the OEMs to cater to the new emission standards. More than 60 percent of the Base Oil demand in India is satisfied through imports from Middle East and the U.S. and domestic market is expected to attract investments from global players like Repsol, Shell and Exxon over the coming years. Globally, Base Oil is an

oversupplied market with the capacity far exceeding the demand however India still lags in its manufacturing facilities. There is an urge in the lubricant sector to replace the current lubricants with new formulations that would reduce emissions. Hence, India is anticipated to witness an increasing demand for Base Oil owing to increasing preference for automobiles complying with BS VI emission norms. With significant trade, Group I plant closures, a shift to better performing heavy group Base Oils, addition of new plant capacities and technological advancements taking place in MEA manufacturing units, India's Base Oil demand is expected to show a significant rise over the next ten years.

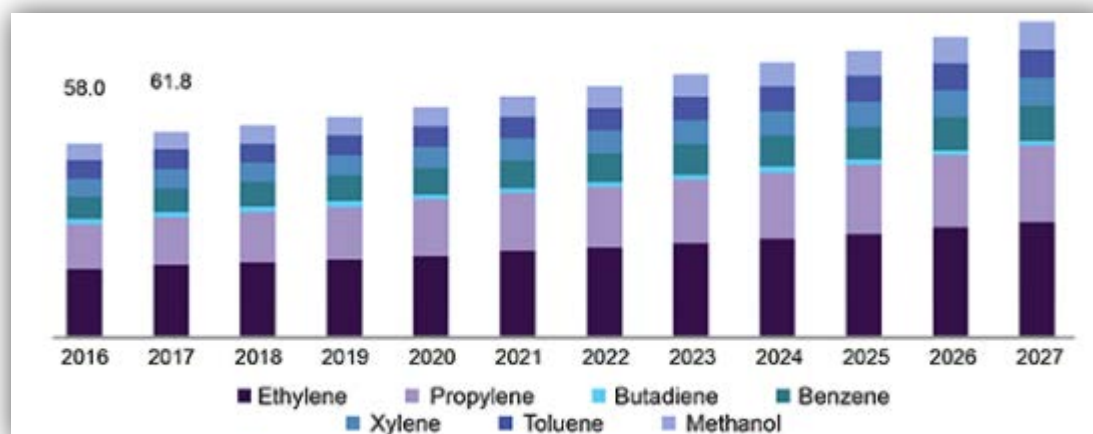
'Make in India' and 'Atmanirbhar Bharat' scheme implemented by the Government of India which is an initiative to foster the growth of indigenous manufacturing sectors in the country is also expected to provide a positive impetus to the Base Oil domestic manufacturers. Moreover, implementation of GST, which has improved the ease of doing business in the country will catalyse the domestic production of Base Oil. Higher preference for heavy-grade Base Oils than their lighter counterparts for better properties tends to fuel the Grade III and Grade IV demand in future. Additionally, demand from the industrial machinery and equipment application also drives India's overall Base Oil market.

Source: <https://www.chemanalyst.com/industry-report/india-base-oil-comprehensive-techno-commercial-market-8>

## GLOBAL PETROCHEMICAL MARKET

The global petrochemicals market size was predicted at USD 441.0 billion in 2019 and is anticipated to witness a CAGR of 5.0% over the forecast period. The growth of the market for petrochemicals will be driven by rising demand for downstream products from end-use industries and capacity additions in the base chemical industry.

**U.S. Petrochemicals Market Demand, by product 2016-2027 (Million Tons)**



Source: [www.grandviewresearch.com](http://www.grandviewresearch.com)

The petrochemical industry is a vital component of numerous industrial processes as it provides raw materials for a wide array of products that find application in automotive, construction, and manufacturing. Some of the products derived from petrochemicals are tires, detergents, industrial oil, fertilizers, plastics, medical devices. The basic chemicals and plastic derived from the petrochemicals act as a building block for numerous non-durable and durable consumer goods.

U.S. recorded an investment of more than USD 217 billion in petrochemical downstream operations since 2013. The significant growth of the industry is driven by shale gas revolution and has led to a decrease in feedstock prices. The country witnessed a significant rise in the consumption of ethane surpassing the other petroleum products such as gasoline and jet fuel. Capital investments in the U.S. petrochemical industry rose from USD 97 billion in 2013 to USD 317 billion by 2017.

The development of new technologies based on feedstocks such as light crude and mixed crude is expected to positively impact the supply. The adoption of Crude Oil to Chemical Technology (COTC) by manufacturers is expected to gain popularity as it provides high yields in the range of 40% to 45%. Industrial complexes with COTC technology are being constructed in the Middle East and China and expected to be operational by 2020. The development of such technologies will enable companies to manufacture chemicals on a refinery scale.

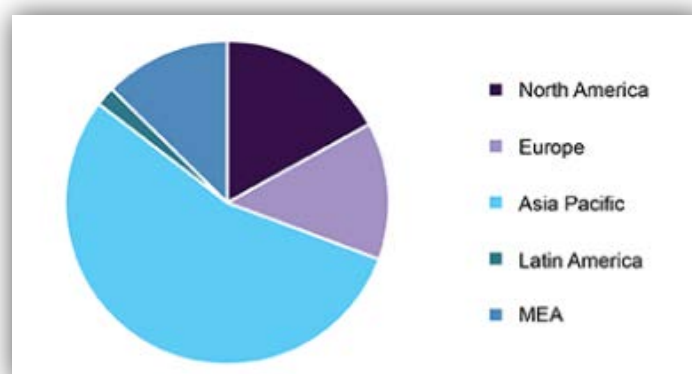
The profit margin of the petrochemical companies declined sharply in 2015 and 2016 and thereafter increased at a moderate pace from 2017. The improvement in profit margins is supported by rebound in crude prices and rise in gross refining margins. The major factors that impact the operational costs is stabilization observed in raw material pricing. The high research and development costs associated with a downstream product along with regulatory clearances has affected the operating margins.

The rising possibility of an economic slowdown in 2020 is expected to have a deep impact on petrochemical manufacturing. Initially, slowdown in demand may result in lowered capacity utilization. It can also result in projects getting delayed or getting scrapped. The compounding of the aforementioned problems results in profit margins taking a hit and companies struggle to find a proper balance in their product portfolio.

### Regional Insights

Increasing shale gas exploration activities in the U.S. and Canada are expected to drive the growth of the market for petrochemicals in North America. The countries together accounted for above 90% of shale gas production in 2018 in North America. The development of shale gas provides the advantage of substituting conventional feedstock such as crude oil and natural gas for producing various petrochemicals. The shale gas boom in North America has transformed industry participants in the region from high-cost producers of petrochemicals and resins to the lowest-cost due to the reduction of raw material prices. The steady growth in the demand from construction and automotive industries coupled with significant capacity expansions is expected to drive the growth of the market for petrochemicals.

**Global Petrochemicals Market Share, by region, 2019 (%)**



Source: [www.grandviewresearch.com](http://www.grandviewresearch.com)

The market for petrochemicals in Europe is marked by the presence of major industry participants such as INEOS, Shell Chemicals, and BASF. Western Europe is expected to witness stagnant growth owing to market saturation. The European petrochemical industry over the coming years is expected to witness more outages at crackers and polymer plants owing to demand fluctuations. Rising ethylene production in major countries such as Germany, France, and the U.K. is expected to augment the growth of the market for petrochemicals.

Abundant natural gas and crude oil availability are expected to drive the Middle East market. The region is increasing its strength in petrochemicals particularly in ethylene and its derivatives such as polyethylene (PE) and ethylene glycol. The major risk factors faced by manufacturers are the rising popularity of naphtha feedstocks and growing political tension.

Source: <https://www.grandviewresearch.com/industry-analysis/petrochemical-market>

### INDIAN PETROCHEMICAL INDUSTRY

The Petrochemical industry, which entered in the Indian industrial scene in 1970s, registered a rapid growth in the 1980s and 1990s. Petrochemical industry mainly comprise of synthetic fibre / yarn, polymers, Synthetic Rubber (elastomers), Synthetic detergent intermediates, performance plastics and plastic processing industry. Today, petrochemical products permeate the entire spectrum of daily use items and cover almost every sphere of life like clothing, housing, construction, furniture, automobiles, household items, agriculture, horticulture, irrigation, packaging, medical appliances, electronics and electrical etc.

Presently there are eleven naphtha and/or/dual feed cracker complexes in operation with combined ethylene capacity of about 7.05 million tonnes per annum. In addition, there are six aromatic complexes in operation with a combined Xylene capacity of about 5.5 million tonnes. The production performance of major petrochemicals during 2012-13 to 2016-17 is as follows:

SUB-GROUP	2012-13	2013-14	2014-15	2015-16	2016-17
Synthetic Fiber	3124	3144	3527	3554	3595
Polymers	7509	7876	7558	8839	9163
Elastomers (S.Rubber)	96	105	172	242	285
Synthetic Detergent Intermediates	627	597	596	566	664
Performance Plastics	1691	1685	1591	1700	1799
<b>Total</b>	<b>13047</b>	<b>13406</b>	<b>13443</b>	<b>14900</b>	<b>15506</b>

Source: S&M Division, Department of Chemicals & Petro-chemicals

## DOWNSTREAM PETROCHEMICAL PROCESSING SECTOR

The annual consumption of virgin grade polymers for the year 2017-18 was 15.9 Million Tonnes. Demand for Plastics in India is currently growing at an average rate of 8.9% for the past 4 years (2013-14 to 2017-18). It is expected to reach 24 Million Ton by 2022-23 and 35 Million Ton by 2027-28.

There are more than 50,000 processing units in organized and unorganized sector (around 33,500 are in organized segment) having 1,53,500 Plastics processing machines for producing a diverse range of plastic products. The processing capacity is estimated to be 45.1 Million tonnes per annum. This processing capacity had been growing @ 8.8% CAGR during last 4 years and the processing industry is expected to invest \$10 billion during the next 5 years to enhance the capacity to 62.4 Million Ton and 86 Million Ton by 2027-28.

## OPPORTUNITIES IN PETROCHEMICALS

The economic reforms initiated in 1991 brought about significant changes in the domestic petrochemical industry. Delicensing and deregulation allowed the market forces to determine investment and growth. It is now established globally that ethylene (the main building block for petrochemicals) consumption and polymer consumption in the downstream plastic articles have strong correlations with the growth of Gross Domestic Product (GDP). Polymer consumption has strong backward and forward linkages and an increase in polymer consumption has a multiplier effect on the GDP Growth.

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Source: <https://chemicals.nic.in/petrochemicals>

## GLOBAL PERFORMANCE ADDITIVES MARKET

The market is segmented by Type (Plastic Additives, Rubber Additives, Paints and Coatings Additives, Fuel Additives, Ink Additives, Leather Additives, Lubricant Additives, and Adhesives and Sealants Additives) and Geography (Asia-Pacific, North America, Europe, South America, and Middle East & Africa)

### Market Overview

The performance additives market is expected to register a CAGR of more than 8%. The major factors driving the growth of the market studied are the replacement of conventional materials by plastics in several applications, and

increasing demand for plastic in emerging nations. On the flip side, the stringent governmental regulations on plastic usage, and depleting natural resources, such as oil and gas, are some of the factors hampering the growth of the studied market.

The plastic additives segment dominated the market and is likely to grow, with the increasing application of plastic in various end-user industries, such as construction, automotive, consumer goods, and packaging.

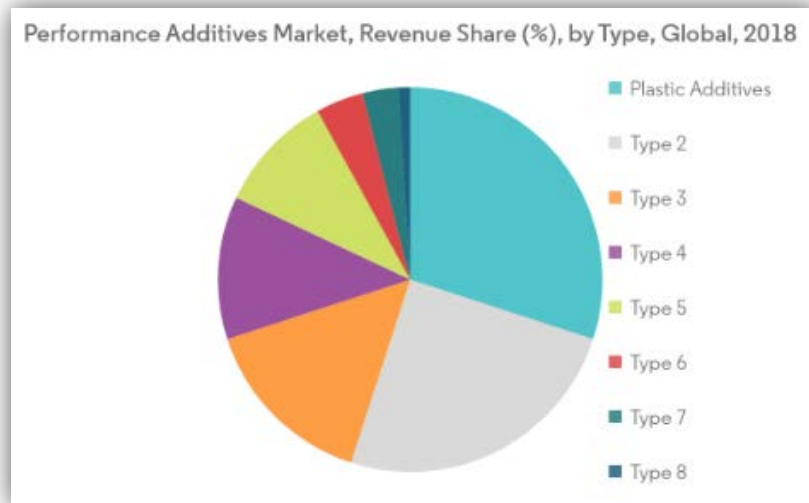
The research to develop bio-based additives is likely to provide opportunities for the studied market.

Asia-Pacific dominated the market across the world, owing to the high demand for plastics, paints and coatings, rubber, leather, automotive, packaging, and adhesives and sealants from numerous end-user industries in the region.

## Key Market Trends

### *Plastic Additives Segment to Dominate the Market Demand*

- Plastic additives segment dominated the performance additives market. Plastic additives find extensive application in lubricants, plasticizers, stabilizers, flame retardants, anti-fog additives, pigment wetting agents, and others.
- Plastic additives' demand for such applications is expected to increase, owing to their growing demand from industries, such as paints and coatings, adhesives and sealants, plastic, packaging, and automotive.
- The Asia-Pacific and North American regions have been witnessing strong growth in residential construction. Besides, Asia-Pacific and Middle East & Africa are experiencing huge domestic, as well as foreign, investments for setting up industrial units, hospitals, malls, multiplexes, hospitality industry, and IT sectors.
- In Asia-Pacific, countries, such as India, Indonesia, Thailand, and Malaysia, have been witnessing an increase in investments and production in the automotive industry. Besides, regions, like North America and Europe, are investing heavily in developing lightweight, hybrid, and greener vehicles.
- Moreover, the packaging industry is also growing at a significant rate, owing to the growing demand from industries, such as food and beverages and consumer goods. E-retail has further driven the growth of the packaging industry in recent years, and the trend is likely to continue over the coming years.
- Hence, all such favorable trends are expected to increase the demand for paints and coatings, lubricants, adhesives, and sealants, etc., which is further projected to create demand for additives



Source: Mordor Intelligence

### **Asia-Pacific Region to Dominate the Market**

- Asia-Pacific region dominated the global market share. Rising production in industries, such as paints and coatings, plastics, inks, automotive, and electronics, and growing construction activities in the region, have been increasing the consumption of performance additives in the region.
- With growing investments into the residential and commercial construction in the countries, such as India, China, the Philippines, Vietnam, and Indonesia, the demand for paints, coatings, plastic, and adhesives and sealants is expected to increase in the coming years.
- China has planned numerous airport construction projects, which are currently either in the planning or development phase. Besides, the Indian government has planned to construct 100 airports by 2032. The Indian

government's plan to invest USD 120.5 billion for developing 27 industrial clusters is also expected to boost commercial construction in the country. Besides, residential construction is also increasing in countries, such as India, Indonesia, Vietnam, and Singapore.

- Online retail shopping is increasing at a higher rate with rising internet technologies and web applications, which has largely supported the growth of the packaging industry in the region. Moreover, the demand for food and beverages and consumer goods is growing at a high rate, due to the increasing income levels, urbanization, and consumers inclining toward technology, hence, fueling the demand for the packaging industry in the region.

Hence, such trends in the end-user industries are likely to drive the demand for performance additives in the region.



Source: Mordor Intelligence

Source: <https://www.mordorintelligence.com/industry-reports/performance-additives-market>

## INDIAN PLASTIC ADDITIVES INDUSTRY

Plastic additives are specialty chemicals used to impart specific properties to plastics for making them more desirable for application in end-user segments. Plastic additives are available in different types based on the functions they perform. Some of the major types include plasticizers, heat and light stabilizers, flame retardants, antioxidants, antifog, slip, anti block, lubricants and master batch additives. The use of plastic additives provides certain properties to the end product such as durability, flexibility, antioxidant potential and microbial resistance among others, which is driving the demand for plastic additives. The demand for plastic additives is growing in line with increasing demand for plastics, which is strongly correlated with economic growth of the country. Demand for plastics is growing as they offer a better alternative to traditional materials such as wood, metal and glass in a wide range of applications. The fastest growing plastic polymers in India are polypropylene and polyethylene, followed by Polyvinyl Chloride (PVC). Growth in these polymer segments is emerging as a key driver for augmenting the demand for plastic additives in India.

Plastic additives market revenues are projected to grow at a CAGR of 14% during 2014-19 due to increasing demand from end-user markets for plastics, such as packaging, construction and automobiles. In 2013, the demand for Plasticizers was recorded highest, followed by heat and light stabilizers. Increasing consumption of plastic additives is also expected to be supported by rising demand for high value plastic products in different end user industries. For instance, use of fire retardants in automobiles is increasing owing to increasing safety concerns among consumers as a result, manufacturers have started to increase their focus towards addressing quality and safety concerns of Indian consumers.

Source: <https://www.techsciresearch.com/report/india-plastic-additives-market-forecast-and-opportunities-2019/78.html>



## OUR BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read section “Forward-Looking Statements” on page no. 14 of this Draft Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factor”, “Financial Statements”, and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on page nos. 19, 139 and 194 of this Draft Red Herring Prospectus, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

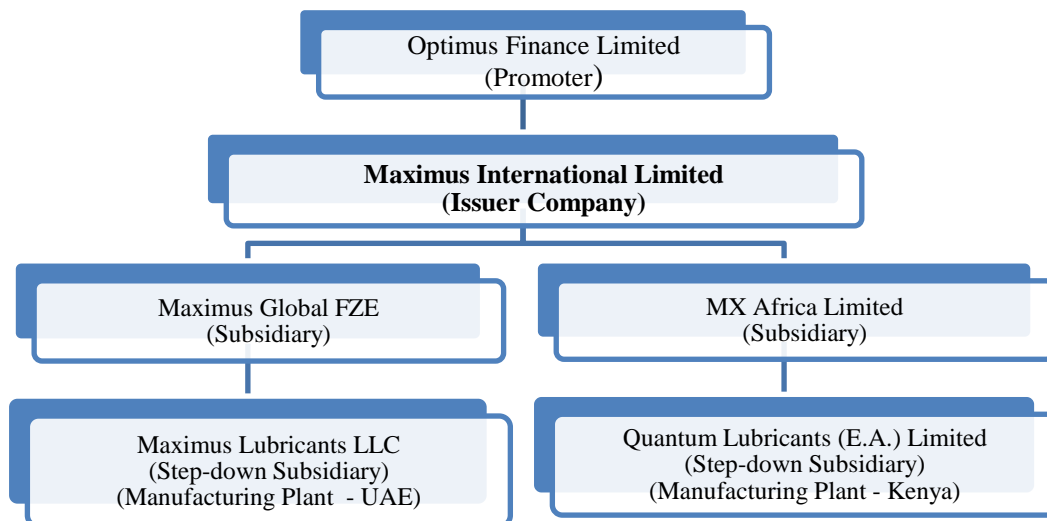
*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further details, see “Financial Statements” on page no. 139 of this Draft Red Herring Prospectus. Unless the context otherwise requires, in this section, references to “we”, “us”, or “our” refers to Maximus International Limited on a consolidated basis.*

### OVERVIEW

Our Company was incorporated as Maximus International Limited on December 22, 2015 under the Companies Act, 2013 with the Registrar of Companies, Ahmedabad, Gujarat, bearing Registration No. 085474. The Company’s Corporate Identity Number is L51900GJ2015PLC085474. Our Company is a subsidiary of Optimus Finance Limited which is a BSE Listed Company and also RBI Registered NBFC.

We are a manufacturer, importer and exporter of lubricants, different types of base oils and other petro-chemical products used mainly in industries such as automotive, metal working, refrigeration, electrical, and paint. Our company on a standalone basis is primarily a merchant exporter and sourcing company and being the parent company of our global lubricant operations owns through our subsidiaries manufacturing set ups in Kenya as well as UAE. Our consolidated manufacturing capacity for lubricants and speciality oils/chemicals is 18,000 KL p.a.

The current corporate structure of our Company is explained as below:



Our Company has two wholly owned subsidiaries namely (1) Maximus Global FZE (Sharjah, UAE) and (2) MX Africa Limited (Nairobi, Kenya) having production facilities, engaged in manufacturing of lubricants, various base oils and chemical products through our two step down subsidiaries namely (1) Maximus Lubricants LLC, a subsidiary of Maximus Global FZE (Sharjah, UAE) and (2) Quantum Lubricants (E.A.) Limited, a subsidiary of MX Africa Limited (Nairobi, Kenya).

Our Company on a standalone basis primarily acts as a Merchant Exporter and Sourcing Company with a niche focus on lubricants and base oils. Our Company has also started trading in plastic additives used for master batches. Our trading business model does not require us take physical delivery of the goods imported and exported by us. We import

goods on the basis of customer specific requirement and the same is transported directly from our supplier to our customer. Due to the above, we require minimum regulatory clearances and also save considerable resources due to less compliance with various regulators. This helps us in concentrating on our core business activity and in building better trade relations in the international market. This model also reduces the time of delivery to our customers which enables us to negotiate better prices with them as compared to our competitors. Since our trading business model does not entail delivery of goods, we considerably save our inventory costs and related overheads.

We have our presence in the markets of Middle East & African Countries and we understand needs of these Markets. Our Company aims to expand its product portfolio in these regions and acts as a sourcing company for various industrial requirements for speciality oils. We strive to maintain high standards in terms of quality and service thus strengthening our position and ensure client retention. We further endeavour to give optimum results by adopting conceptual methodology on international marketing, understanding customer buying behaviour & product management, distribution, logistics & pricing strategies in our region of exports.

Based on Consolidated Restated Financial Statements, our revenue from operations for the Fiscal 2019, 2020 & 2021 was amounted to ₹ 5,725.21 lakhs, ₹ 3,074.43 lakhs and ₹ 5,247.06 lakhs respectively. Further, our earnings before interest, tax, depreciation and amortization (“EBITDA”) for the Fiscal 2019, 2020 & 2021 was amounted to ₹ 398.75 lakhs, ₹ 424.79 lakhs and ₹ 637.10 lakhs respectively showing a CAGR of 26.40% p.a. Furthermore, our profit after tax for the Fiscal 2019, 2020 & 2021 was amounted to ₹ 186.68 lakhs, ₹ 270.65 lakhs and ₹ 353.22 lakhs respectively showing a CAGR of 37.56% p.a.

### **BUSINESS RESPONSE TO COVID-19**

Since the onset of the COVID-19 pandemic in March 2020, our Company has responded swiftly by implementing various processes to ensure our operations continue seamlessly. COVID-19 is a humanitarian crisis on a global scale. In 2020, cases of the novel corona virus started rapidly increasing in India, which led the government of India to impose a nationwide lockdown. Number of countries worldwide had instituted either a full or partial lockdown by the end of March 2020, affecting billions of people and global economy at large. The spread of Covid-19 and its recent developments have had and might continue to have repercussions across local, national and global economies. Due to limited availability of logistics and supply chain constraints, we were impacted during the initial period of the lockdown. We continued our operations after making arrangements to meet the government’s requirements on sanitization, people movement and social distancing.

We have experienced sustained growth in recent years and continued to do so during the Covid-19 pandemic. We consider that our swift response and proactive steps taken have mitigated the impact of COVID- 19 pandemic on our business and personnel thus far. The future impact of COVID-19 or any other severe communicable disease on our business and results of operations depends on several factors including those discussed in “*Risk Factors*” on page no. 19 of this Draft Red Herring Prospectus. We are continuously monitoring the economic conditions and have outlined certain measures to combat the pandemic situation and to minimize the impact on our business. For more details, see “*Risk Factors*” on page no. 19 of this Draft Red Herring Prospectus.

## OUR STRENGTHS



- **Well Qualified & Experienced Management**

Our senior management team is well qualified and experienced in various businesses including infrastructure and finance sectors. Our Managing Director, Mr. Deepak Raval has over 2 decades of experience in the application of marketing and distribution initiatives in the lubricants and speciality oils sector. Further educational background and experience of being the Managing Director of Vadodara Stock Exchange brings the required corporate acumen which enables him to manage overall business operations of our Company. Further he is aided by a well qualified team of personnel handling various departments like accounting & finance, administration, international business, compliances, etc. We believe that our management team's qualification, experience and their understanding of our business operation will enable us to continue to take advantage of both current and future market opportunities. For further details of our Directors and Key Managerial Personnel, please see “*Our Management*” on page no. 112 of this Draft Red Herring Prospectus.

- **Wide range of products in lubricants**

Our Company provides a wide range of lubricants which include engine oils, gear oils, transmission fluids, greases, hydraulic oils, compressor oils, metal working fluids, thermic fluids, refrigeration oils and transformer oils. We also provide various types of Additives. By dealing in wide range of products, our Company continued to generate value for its investors & through strategic sourcing, leveraging term contracts, value improvement initiatives, extensive focus on service and quality as well as continuous monitoring of costs. Company worked on a best value purchase model and value-based inventory management, keeping a close watch on cash costs and working capital.

- **Well established client relationship**

We have positioned ourselves as a multi-product and multi market player ensuring that our products include a diverse mix of lubricants & additives. With long track record of our management & and our standing operations & quality products, we have built a strong customer base and established an unyielding marketing setup. Our sales and distribution network allows us to reach a wide range of consumers and ensures effective penetration of our products and marketing campaigns. We believe that our distribution network enables us to serve our customers and markets in an efficient and timely manner. Further, our existing client relationships help us to get repeat business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy.

- **Existing International Trade Relations**

Our management and promoter group have experience in various business and finance fields. Over the course of their experience, they have created a network of relations with various manufacturers, traders and dealers of lubricants and base oils. In order to capitalise on these networks, our Company was incorporated and we intend to explore the synergies of these networks. Accordingly, we have trade relations with various companies in the Middle East, Africa and some parts of Asia and Europe which has been our primary market for trading of lubricants and oils.

- **Entry Barriers in region of our trade**

The African region is still considerably developing region and has great demand potential for petroleum and petrochemical products and other similar products. However, the regulatory and trade restrictions, demographic environment and overall lack of industrial growth in various parts of Africa create an entry barrier for many competitors. Having trade relations in this region gives an edge over our competitors by providing the advantage of fewer potential entrants.

- **Robust Supply Chain**

Over the years, we have developed supplier-client relations with various entities across the globe. This puts us at a unique position to optimise our supply chain for efficient and timely supplies. Adding to this, a strong supply chain also enables us to source certain products which might not be readily available in certain markets. Due to this robust supply chain; we are not required to take physical delivery of the goods imported and exported by us. We import goods on the basis of customer specific requirement and the same is transported directly from our supplier to our customer. Due to the above, we require minimum regulatory clearances and also save considerable resources due to less compliance with various regulators. This helps us in concentrating on our core business activity and in building better trade relations in the international market. This model also reduces the time of delivery as well as ensures low inventory holding costs; which enables us to negotiate better prices with customers as compared to our competitors. Further, since our business model does not entail delivery of goods, we considerably save our inventory costs and related overheads.

- **Quality Verified Products**

We follow stringent quality standards in our trade practice by undergoing a quality inspection for all goods procured from our supplier, before dispatching the same to our customers. The inspection of the goods is done by reputable industry agencies and their associates as per the requirement of various countries of our customer. Upon receiving 'Certificate of Conformity' for the products, it is then forwarded to our customers. This inspection not only certifies the quality viscosity, consistency, etc. of the products but also ensures that the product dispatched to our customers is exactly as per the specifications required / demanded by them.

- **Scalable Business Model**

Our business model is order driven, and comprises of optimum utilization of our resources and thereby enabling us to achieve consequent economies of scale. We believe that this business model has proved successful and scalable for us in our very first year of operations. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the development of new markets in the African region, Middle East and other international arena, by adopting aggressive marketing of the products, adding more products like distillates and other petro-chemicals and also by maintaining the consistent quality of the product.

**For risks related to our business, our Company and our industry, see “Risk Factors” on page no. 19 of this Draft Red Herring Prospectus.**

## **OUR STRATEGIES**

Our strategic objective is to improve and consolidate our position as a whole, with a continuous growth philosophy. Our continuous growth philosophy is being driven with the strategic levers of operational excellence, strengthening existing services, customer satisfaction, ecosystem development, innovation and marketing.

- **Increase in Order-taking Appetite by augmenting our working capital base**

Our business operations are working capital intensive. In order to effectively expand our products portfolio, Business arenas and also increase in the number of verticals and explore various geographical locations, along with the existing facilities we need to have access to a larger amount of liquid funds and sufficient working capital. We believe there is growing trend towards lubricants, additives and other petrochemical products. Along with the increasing demand, we expect to increase our order taking appetite thus increasing our volumes, revenues and scale of operations and we will require substantial working capital for the same. It is hence our strategy to raise funds from this issue and augment our fund based working capital capabilities. We believe that companies with high liquidity on their balance sheet would be able to better exploit market opportunities. Hence, in order to effectively operate and maximize our capacity utilization at the existing facilities we need to have access to a larger amount of liquid funds and sufficient working capital. For further details of the proposed working capital requirements of the company, please see “*Objects of the Issue*” on page no. 59 of this Draft Red Herring Prospectus.

- **Financial discipline coupled with strategy to monetise assets**

We intend to continue our practices of strict cost control through strategic sourcing, leveraging term contracts, value improvement initiatives, extensive focus on service and quality as well as continuous monitoring of costs. We intend to continue our practices of best value purchase model and value-based inventory management, keeping a close watch on cash costs and working capital. Our debt to equity ratio is 0.58. This we believe will ensure that we have the strength of liquidity required to earn higher margins in our line of business.

- **Expansion of product range**

Our Company is currently engaged in the business of import and export of a variety of lubricant and base oils. We believe that one of the key ways in which our company plans to grow its revenue is by expanding its product range. The East African region is in a rapidly growing stage and we believe that there is immense scope for marketing of various new products in the fields of Lubricants, Petroleum products and Chemicals.

The lubricants and base oils we export are used in various industry sectors such as automotive, metal working, refrigeration, electrical, and paint. Due to this we have developed cordial relations with trade partners from a wide range of sectors and we believe that marketing new products will provide us a significant boost in our operations.

- **Increase our penetration into domestic and international markets**

We cater to both, the domestic as well as international markets. We aim to further develop our domestic sales networks in two ways: firstly nurturing existing relationships with clients and secondly by creating new distribution channels in non-penetrated geographies considering various cities.

We seek to leverage our track record & experienced management skill to expand further into international markets, where our strategy is primarily to become the preferred supplier. Hence, our company is focusing on increasing growth in the export markets. Exports brings in better realization of margins, prompt delivery due to faster and planned pace of projects, better payment terms and access to larger markets. This also reduces the risk of dependence on a limited market and ensures that any slowdown in the market would not affect overall growth and performance of our company. We believe that we have developed good clientele network in export markets and going forward shall be able to take advantage of our existing operations and network to expand our export markets.

- **Develop Tax Friendly business model**

We intend to continue and strengthen our current business model which involves providing our customers the required goods in the desired quality and price in the shortest time period. To achieve this, we follow the model such that our supplier transports the goods purchased by us directly to our customer. First, this saves considerable time, due to zero import clearance on the domestic port and other export formalities. Secondly, it enables us to price the goods in a very competitive manner due to zero taxes in connection with the imports. Since the goods purchased by us do not enter the domestic territory, we are not liable to pay any import duty, and other import & custom related taxes and duties. Our tax friendly business model gives us flexibility to price the goods lower than

our competitors without affecting margins and also due to the time saved, we are able to satisfy the customer needs more efficiently, ensuring repeat orders from them.

## DETAILS OF OUR BUSINESS

### CORPORATE SET UP, MANUFACTURING & OTHER FACILITIES



Our corporate head office & our registered office is situated at 504A, “OZONE”, Dr. Vikram Sarabhai Marg, Vadi-Wadi, Vadodara 390 003. We have our subsidiaries offices located at Sharjah, United Arab Emirates and Nairobi, Kenya, which also act as our Marketing offices. Further, we have tied up with various super stockists across the globe, which also act as our Distribution centres. This helps us supply products to very wide range of countries including but not limited to Kenya, UAE, Uganda, Tanzania, Qatar, Kuwait, Turkey. Having a presence in these countries is a niche of our company.

Our manufacturing facilities are located at (1) Quantum Lubricants E.A. Ltd., Broadway Warehouse, Gate No. 2, GD/No. 20, Opp. Nation Printing, Behind Med’s Centre, Mombasa Road, P.O. Box 38981-00623, Nairobi, Kenya and (2) Maximus Lubricants LLC, Warehouse No: A 03/04, Al Jazeera Al Hamra, Opposite AIC, Ras Al Khaimah, UAE.



### CAPACITY UTILIZATION

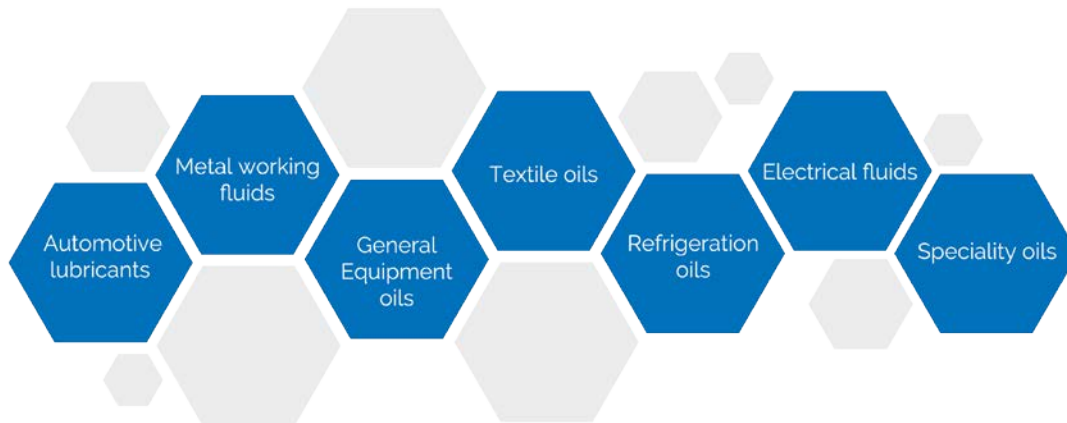
Our company on standalone basis does not have any manufacturing set up. We have acquired manufacturing facilities via subsidiary acquisitions in FY 19-20. The details of capacity utilisations for FY 20-21 of our consolidated manufacturing facilities are as below:

Sr. No.	Financial Year	Licensed / Installed Capacity	Capacity Utilisation (Rounded Off)	Capacity Utilisation (%)
1.	Quantum Lubricants E.A. Ltd (Kenya, Manufacturing Set Up)	9,000 KL	4,000 KL	44%
2.	Maximus Lubricants LLC (UAE, Manufacturing Set Up)	9,000 KL	4,000 KL	44%

Sr. No.	Financial Year	Licensed / Installed Capacity	Capacity Utilisation (Rounded Off)	Capacity Utilisation (%)
<b>Total</b>		<b>18,000 KL</b>	<b>8,000 KL</b>	<b>44%</b>

## PRODUCTS PORTFOLIO

Our group is mainly into manufacturing, marketing, and trading of a range of lubricants which includes engine oils, metal working fluids, thermic fluids, refrigeration oils, transformer oils, and additives. We have recently acquired manufacturing facilities of lubricants, various base oils and chemical products, by way of acquisition of our step down subsidiaries. A brief description of the various products and its applications is outlined below:



### Automotive lubricants

Engine oils  
Gear oils  
Coolants

### Textile oils

Sewing machine oils  
Knitting oils  
Spindle oils

### Metal working fluids

Cutting fluids (soluble/neat)  
Wire drawing oils  
Rust preventive oils

### Refrigeration oils

Synthetic refrigeration oils (POE)  
Mineral refrigeration oils  
Vaccum pump oils

### General equipment oils

Hydraulic oils  
Gearbox oils  
Heat transfer fluids

### Electrical fluids

Transformer oils  
Vapor phase dry fluids  
Circuit breaker oils

### Speciality oils

Printing oils  
Calibration fluids  
Mould release oils

**Lubricants – Lubricants and oil products manufactured, marketed and/or traded by our company can be classified under the following heads:**

- **Commercial Vehicles** – We deal in lubricants and oils for various types of commercial vehicles, from auto rickshaws to motorbikes, to heavy-duty multi axle haulers. Our product range includes engine oils, gear oils, greases, coolants and brake fluids.
- **Cars and Utility Vehicles** – Our Company has a variety of passenger car engine oils. We have complete range right from mineral based oils to fully synthetic oils for the latest technology cars. We also offer a range of engine oil for 4 stroke motorcycles.
- **Industrial Applications** – Our Company offers a range of products for usage in industrial applications for maintenance and oiling equipment and heavy machineries to prevent them from rusting. Our products include specialized engine oils, hydraulic oils, circulating oils, industrial gear oils, compressor oils, turbine oils, rock drill oils, metal working fluids, industrial specialties and greases.



- Construction & Mining equipment – We offer a range of lubricants and other fluids ideal, for use in construction and off-highway equipment, such as mechanical excavators, cranes and heavy trucks.

**Additives – We also deal into the Additives products that can be classified under the following heads**

- Plastics Additives – They are all chemicals which are used to polymerize, process or to modify end use properties of plastics. The most commonly used additives in different types of polymeric packaging materials are: plasticizers, flame retardants, antioxidants, acid scavengers, light and heat stabilizers, lubricants, pigments, antistatic agents, slip compounds and thermal stabilizers.
- Lubricating Additives – They are a chemical component or blend used at a specific treat rate, generally from < 1 to 35 percent, to provide one or more functions in the fluid. Ideally, additive components are multifunctional. They are soluble in mineral oil, water or sometimes both. Some of the additives in which we deal are Pour Point Depressant, Viscosity Improver, Total Base Number, Extreme Pressure, Cutting Oil Additives, etc.

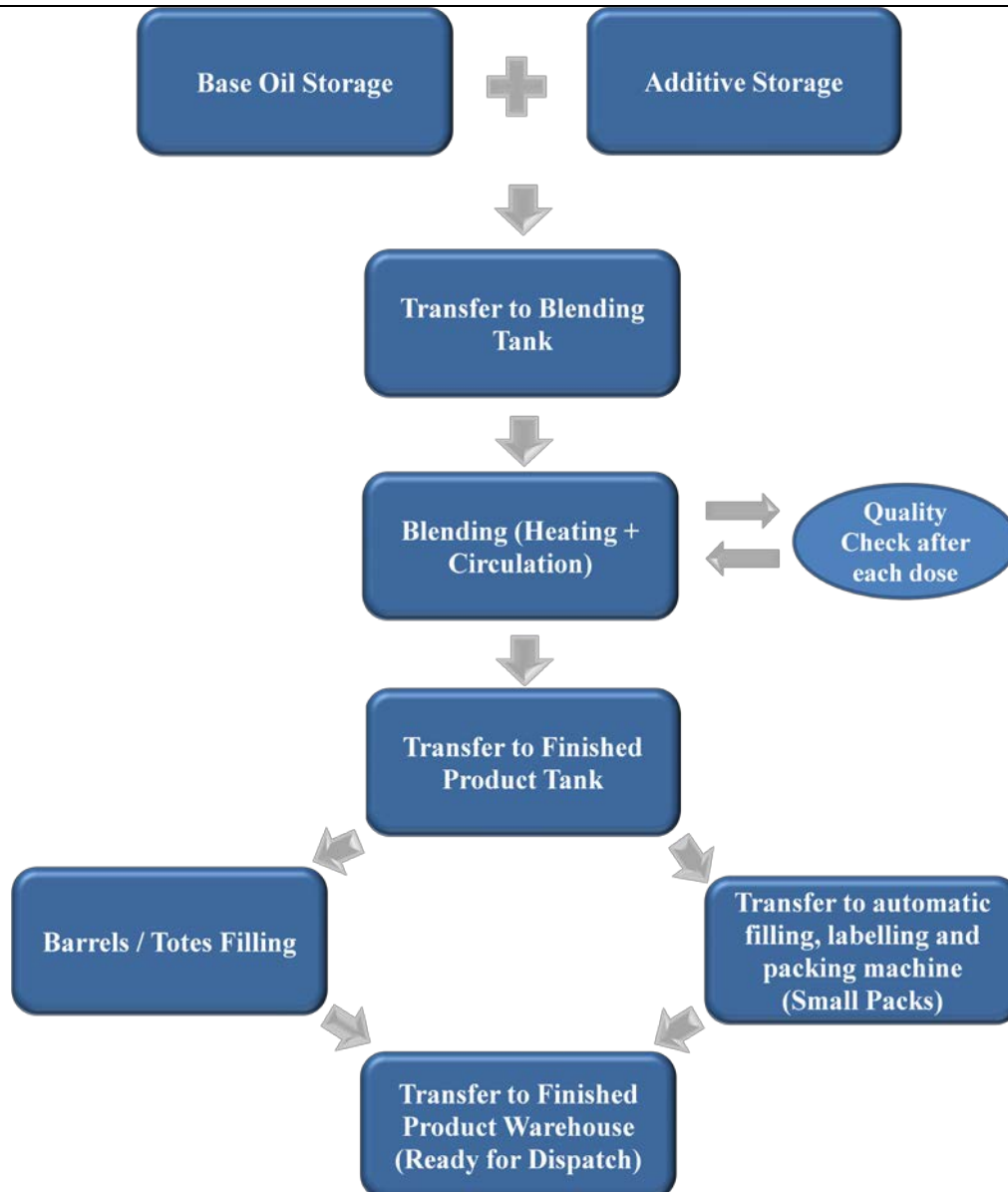
**PROCESS FLOW CHART**

**A. MANUFACTURING PROCESS:**

Production of finished products is undertaken at the manufacturing facilities of our step down subsidiaries located in UAE and Africa.

Finished products are produced by blending and mixing base oil with various kinds of additives in different combinations and quantities.

The manufacturing process is as under:



Step 1: The manufacturing process begins with formulation. Lubricant formulations are essentially a base fluid, selected for the application, and additives used to impart the particular properties required.

Step 2: The blending process itself is relatively simple for most lubricants. A measured quantity of the base oil(s) are pumped into a blending tank and heated.

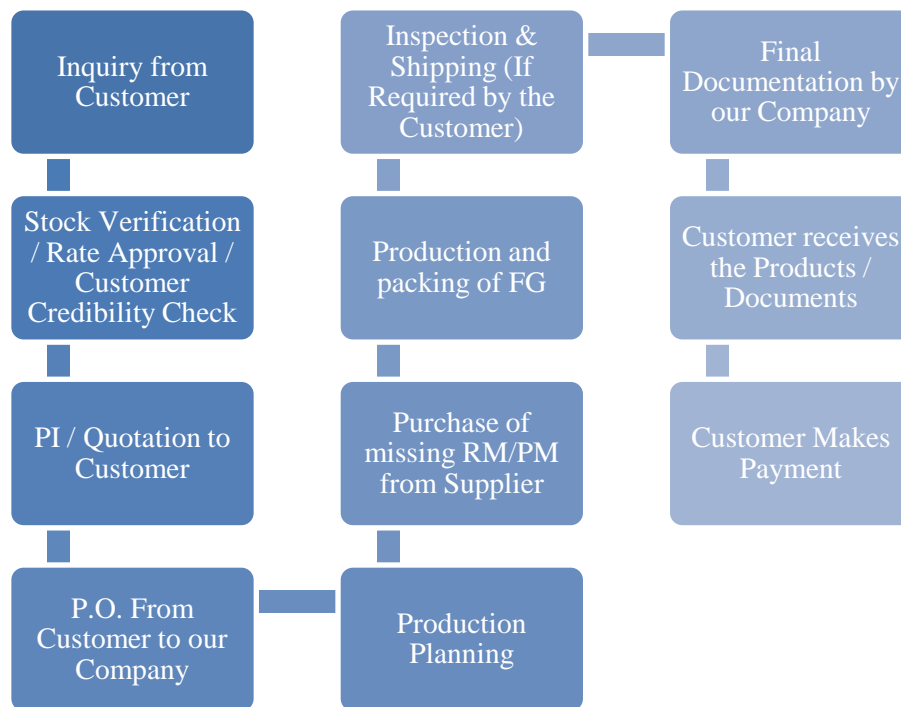
Step 3: Additives are then added in pre-determined quantities depending on the formulation to produce desired finished product. Most blends are heated as this improves the solubility of the additives and gives a more stable finished product. The fluid in the vessel is mechanically stirred to give a homogeneous mixture.

Step 4: After each dosage, the desired properties are tested as per standard ASTM testing procedures. Post the testing procedure, adjustments are made in the mixture inside the blending tank to ensure the accuracy of the final product.

Step 5: Once the desired volatility, viscosity and other properties required as per our requirement is attained the mixture is transferred to Finished Product Tank.

Step 6: We operate a batch process and the desired quantity as per customer requirement are transferred to automatic packaging machine for small packs or for totes or barrels.

**B. Process Flow Chart of sales of in-house manufactured products:**



Step 1: In the first step, a customer inquires whether we have a certain product in our products range, how much it will cost, what is the quality of product or whether the product will be available for a certain date. The inquiry is therefore a request from the customer for us to provide him with a sales quotation. Accordingly, the company receives inquiries of various kinds of products, their qualities which are required by customers.

Step 2: Based on the inquiries from customers, we seek the availability of the products in the desired specifications as required by our customer.

Step 3: Our Company send a counter pro-forma invoice to our customer ensuring that the product negotiated meets their requirements. We also explain product specifications and their qualities in an effective and efficient manner and try to get an order in large quantities.

Step 4: Customer sends a purchase order to us indicating the final quantity at the agreed prices and other terms and conditions for the products.

Step 5: Sales team intimate the delivery schedule to dispatch team who in turn check the availability of the finished product. If finished product is not available, production team is intimated to manufacture required quantity to meet the delivery schedule.

Step 6: Production team check the availability of the required raw material. If raw material is not available or short available then production team sends indent to purchase team to buy required raw material.

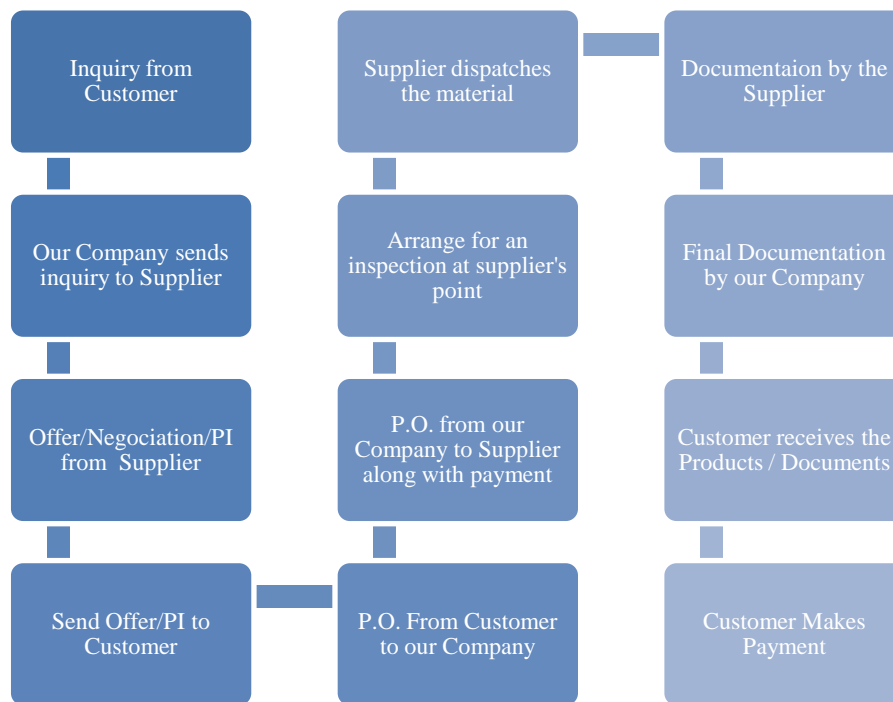
Step 7: Based on the availability of Raw material and other resources, production team prepare production planning. Production process is undertaken at the manufacturing facilities of our step down subsidiaries located in UAE and Africa. Finished products are checked by quality team. Thereafter, finished products are packed and sent to warehouse.

Step 8: Prior to dispatch of the shipment, the goods are inspected by customer or independent inspection agency. Then the goods are dispatched.

Step 9: We send the necessary documents to customer to obtain the final possession of the goods.

Step 10: Upon delivery of the goods to the customer, we receive payment for the same over a pre-decided period of time depending on the credit period extended to such customer.

### C. Export and Merchant Trading Process Flow Chart



Step 1: In the first step, a customer inquires whether we have a certain product in our products range, how much it will cost, what is the quality of product or whether the product will be available for a certain date. The inquiry is therefore a request from the customer for us to provide him with a sales quotation. Accordingly the company receives inquiries of various kinds of products, their qualities which are required by customers.

Step 2: Based on the inquiries from customers, we seek the availability of the products in the desired specifications as required by our customer.

Step 3: Upon confirmation of the above, our suppliers send us an offer and we negotiate the right deal with them. We also negotiate other factors, such as delivery, payment terms and the quality of the goods. The supplier sends us a pro-forma invoice based on the final negotiations.

Step 4: Our Company send a counter pro-forma invoice to our customer ensuring that the product negotiated meets their requirements. We also explain product specifications and their qualities in an effective and efficient manner and try to get an order in large quantities.

Step 5: Customer sends a purchase order to us indicating the final quantity at the agreed prices for the products.

Step 6: We initiate the purchase order on a CIF basis and ensure the Bill of Lading is addressed to the customer port. We are required to make a certain amount of advance payment also and ascertain the date of dispatch date.

Step 7: Prior to the dispatch of the shipment, the goods are inspected at the supplier's end for verification of the quality, viscosity, consistency, etc. Once we receive 'Certificate of Conformity' for the products, we will forward the same to our customer.

Step 8: The final documentation from the suppliers is collated by us along with the necessary export documents from our end and the entire set is forwarded to our customer. This is required to obtain the final possession of the goods by the customer.

Step 9: Upon delivery of the goods to the customer, we receive payment for the same over a pre-decided period of time depending on the credit period extended to such customer.

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## CLIENTS

Our business operations can be broadly classified under two segments – Business-to-Business (B2B) segment and Retail segment. However our primarily products cater to the business-to-business segment. Under the B2B segment, we supply to the various OEM's in the commercial vehicles, tractors and stationery engines. Besides we also supply our industrial application products to companies across industries including fleet & infrastructure companies. We maintain direct contact with majority of our customers which allows us to not only better understand the needs of our customers but also their future requirements to guide our procurement / manufacturing team to get the thing in places, well in time. Under the retail segment, the company supplies its products to various distributors who in turn supply them to the retailers for sale. Our Company markets our products through an established network of distributors for retailing the products.

## RAW MATERIALS & UTILITIES

In Fiscals 2019, 2020 and 2021, the cost of materials consumed (including stock in trade & inventories), represented 92.76%, 78.41% and 72.60%, respectively, of our revenue from operations. Raw materials are transported to the facilities primarily by means of sea, road and rail transport.

The primary raw material used in manufacturing lubricants is the base oil which is produced by refineries through distillation of crude oil. Apart from base oils, various types of chemical additives are used in different proportions depending upon the end application. Lubricants are produced by blending and mixing base oil with various kinds of additives in different combinations and quantities. Apart from base oils and additives, we require various types of packaging material such as containers, cartons, barrels, labels, caps, and drums etc. which are used for packaging.

We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers or the open market. Pricing and volumes are negotiated for each purchase order. There are no contractual commitments other than those set forth in the purchase orders. The purchase price of our raw materials generally follows market prices. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. Our Company sources base oil from public sector / private sector refineries from the respective locations, traders and also a significant quantity are imported from various countries. With regards to additives, our Company sources these from various local as well as overseas additive suppliers.

We consume a substantial amount of power and fuel for our business operations. Our power requirement for our manufacturing facilities is sourced through local state power grid through interstate open access. Our manufacturing processes require uninterrupted supply of power and fuel in order to ensure that we are able to manufacture our products. We have also installed generators in our manufacturing facilities to ensure constant supply of power. Water is procured from local municipal as well as from various local suppliers, in case of any shortage.

## LOGISTICS

We transport our raw materials and our finished products by road, train and sea. Depending on our contractual arrangements, our suppliers either deliver our raw materials directly to us or we are required to collect the raw materials from our suppliers at our own costs. We outsource the delivery of our raw materials and finished products to third party logistics providers on a consignment basis from time to time and have string relations with key logistics players in our domain. We do not have formal contractual relationships with such third-party logistics providers. We also sell our products on a cost, insurance and freight basis, on a consignee basis and on a delivery basis.

## QUALITY ASSURANCE

We continuously endeavour to provide quality products to our customers. Since we do not take any delivery of our traded goods and the same are directly dispatched from our supplier to our customer, the product quality it is our primary concern. We can expect repeat orders from our existing customers and also acquire new clients only if we ensure the desired quality. Prior to the dispatch of the goods from our suppliers, the same are inspected at the supplier's end for verification of the quality, viscosity, consistency, etc. The inspection of the goods is done by industrial bodies/agencies as per the requirement of various countries of our customer and once the 'Certificate of Conformity' is provided for the products, the same is then forwarded to our customers also.

## MARKETING PROCESS

Majority of our sales of lubricants happen through our direct channels wherein, we utilise our existing relations with our suppliers and customers to execute a trade. Also, as part of acquiring new clients, we endeavour to contact companies dealing or manufacturing base oils and other lubricants through emails and personal meetings, if required. Currently, we have been able to enter various markets in the African, Asian and other developing regions like Kenya, Uganda, UAE, Vietnam and Turkey. Our Company has an in-house research team for identifying potential customers in the fast-growing lubricants markets in Africa and other developing regions.

## COMPETITION

We operate in a competitive atmosphere. Our competition varies by market, geographic areas and type of product. Our Company faces stiff competition from domestic as well as global market. Some of our competitors may have greater resources than those available to us. While service quality, technical ability, performance records, etc are key factors in client decisions among competitors, however, price is the deciding factor in most cases. Lubricants and Oils being a global industry, we face competition from various domestic and international importers, exporters, manufacturers and traders. Competition emerges from small as well as big players in the lubricants industry. The organized players in the industry compete with each other by providing high quality, consistent and time bound products and value-added services. We have a number of competitors offering products similar to us. We believe the principal elements of competition in our line of business are ready finance, consistent and quality products, prompt availability and strong relations with lubricant oil and other base oil related product manufacturers & traders. We compete against our competitors by establishing ourselves as a knowledge-based trading company with cordial relations with various suppliers in our region of trade, which enables us to provide our customers with bulk quantities at reasonable rates to meet their requirements.

## EXPORT AND EXPORT OBLIGATIONS

Our company does not have any export obligation however we supply to different countries. The total exports of the Company for the Fiscal 2019, 2020 & 2021 was amounted to ₹ 1,270.76 lakhs, ₹ 1,176.44 lakhs and ₹ 1,258.23 lakhs respectively.

## COLLABORATIONS

The Company has so far not entered into any technical or financial collaboration agreement nor does it plan any collaboration for conduct of existing business or expansion of business.

## EMPLOYEES

Our employees contribute significantly to our business operations. As of March 31, 2021, we had 63 permanent employees on a consolidated basis. In addition, we have entered into arrangements with third party personnel companies for the supply of contract labour. The number of contract labourers varies from time to time based on the nature and extent of work contracted to independent contractors. We conduct training workshops for our employees to develop a variety of skill sets and organize modules at regular intervals to promote teamwork and personal growth of employees. Our employees are not unionized into any labour or workers' unions and we have not experienced any major work stoppages due to labour disputes or cessation of work in the last five years.

Our human resource department focuses on employee engagement and motivation, which further helps in achieving the strategic objectives of the organization. Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner. The table below sets forth details of our workforce categorized as skilled, semi-skilled and unskilled, as of March 31, 2021:

Sr. No.	Category	Number of Employees
1.	Skilled	11
2.	Semi Skilled	21
3.	Unskilled	31
<b>Total</b>		<b>63</b>

## PROPERTIES

Our corporate head office & our registered office is situated at 504A, “OZONE”, Dr. Vikram Sarabhai Marg, Vadi-Wadi, Vadodara – 390 003 which is held by us on a leasehold basis. We have entered into sub-lease agreements with our Group Company and our Promoter Company for sharing the office as per the terms of the agreement.

Our manufacturing facilities located at (1) Quantum Lubricants E.A. Ltd., Broadway Warehouse, Gate No. 2, GD/No. 20, Opp. Nation Printing, Behind Med’s Centre, Mombasa Road, P.O. Box 38981-00623, Nairobi, Kenya and (2) Maximus Lubricants LLC, Warehouse No: A 03/04, Al Jazeera Al Hamra, Opposite AIC, Ras Al Khaimah, UAE, both of which are held by us on a leasehold basis.

Further, our Company owns following properties:

Description of Property	Name of Vendor	Amount (₹ in lakhs)	Purpose
Office No. 301, 3 <sup>rd</sup> Floor, Unit B, Atlantis Heritage, Dr. Vikram Sarabhai Marg, Vadi-Wadi, Vadodara	Mr. Aniruddh Gandhi	97.62 Lakhs <sup>(1)</sup>	Erstwhile Corporate Office <sup>(2)</sup>
Flat No B-202, 2 <sup>nd</sup> Floor, Tower B, Neptune Trinity, Vadi-Wadi, Vadodara	Neptune Infrastructure, Partnership Firm	98.48 Lakhs <sup>(3)</sup>	Guest House

<sup>(1)</sup> Includes consideration, stamp duty, registration charges, TDS and other expenses.

<sup>(2)</sup> This Property was earlier used by our company however, due to increase in scale of operations and requirement of larger space we have shifted to our current office premises at 504A, OZONE, Dr. Vikram Sarabhai Marg, Vadi-wadi, Vadodara 390003, Gujarat, and hence this property is currently a investment property for future use if any needed by the company.

<sup>(3)</sup> Includes consideration, construction cost, stamp duty, registration charges, lifetime maintenance, TDS and other expenses.

## SECURITY AND CONNECTIVITY

We have a very security focused approach, where we value data privacy. Our registered office is co-shared by our Promoter Company and our Group Company. We have implemented various systems and check in place such as 2 factor authorization, periodic password changes, regular automatic server backups, usage of virtual private networks (VPN) etc. This enables to ensure our sensitive information are protected and there is faster disaster recovery via fast restore of backups.

Across the units we have strong internal and external video conferencing capabilities, which increase productivity, efficiency in communication, and reduction of telecommunication expenses. It also helps us track our production, marketing and distribution outside India on real time basis and streamlines our production and distribution activities.

## INTELLECTUAL PROPERTY RIGHTS

We regard our intellectual property as a factor contributing to our success, although we are not dependent on any patents, intellectual property-related contracts or licenses other than some commercial software licenses available to the general public.

## KEY REGULATIONS AND POLICIES

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.*

We are a manufacturer, importer and exporter of lubricants, different types of base oils and other petro-chemical products used mainly in industries such as automotive, metal working, refrigeration, electrical, and paint. Our company on a standalone basis is primarily a merchant exporter and sourcing company and being the parent company of our global lubricant operations owns through our subsidiaries manufacturing set ups in Kenya as well as UAE. Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of the business. We are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies.

For details of Government Approvals obtained by us in compliance with these regulations, please see “Government and Other Statutory Approvals” beginning on page no. 228 of this Draft Red Herring Prospectus.

### A. INDUSTRY RELATED LAWS

#### **Gujarat Fire Prevention and Life Safety Measures Act, 2013 and the Gujarat Fire Prevention and Life Safety Measures Rules, 2014**

Gujarat Fire Prevention and Life Safety Measures Act, 2013 is an act to make effective provisions for the fire prevention, safety and protection of life and property in various types of buildings and temporary structures which are likely to cause a risk of fire in different areas in the State of Gujarat. The Gujarat Fire Prevention and Life Safety Measures Act, 2013 was enacted to make provisions for fire service fees, constitution of a special fund and for the purposes connected or incidental therewith. The Gujarat Fire Prevention and Life Safety Measures Rules, 2014 is issued under Section 57 of the Gujarat Fire Prevention and Life Safety Measures Act, 2013.

#### **Essential Commodities Act, 1955 (“EC Act”)**

The EC Act vests Government of India with the authority to issue notifications for controlling the production, supply and distribution of certain essential commodities, which include petroleum and petroleum products.

#### **Lubricating Oils & Greases (Processing, Supply & Distribution) Order, 1987**

The Lubricating Oils & Greases (Processing, Supply & Distribution) Order, 1987 (“**Lubricating Oils Order**”) requires all persons carrying on the business of processing and storing lubricating oils and greases to have a license by a competent authority as authorized by the state government. Further, police officers not below the rank of inspector have the authority to enter and search any place, premises, vessel or vehicle which the officer has reason to believe, have been, or is about to be, used for the contravention of the Lubricating Oils Order. Further, the police officer has the authority to seize any such stock of lubricating oils, greases and processing equipments.

#### **Foreign Trade (Development and Regulation) Act, 1992 (“FTA”) and the Foreign Trade Policy (2015 - 2021) (“FTP”)**

The FTA provides for the development and regulation of foreign trade by facilitating imports into, and exports from India and for matters connected therewith or incidental thereto. The FTP governs the export and import of goods and services in India which requires an import-export code (“IEC”) number, unless specifically exempted. Exports and imports are free unless specifically regulated by the FTP or the Indian trade classification based on harmonised system of coding which is used for regulating import and export operations.

Under the FTA, an IEC granted by the Director-General of foreign trade will be required to be obtained in the event any import or export of the product is envisaged.

#### **Electricity Act, 2003**

The Electricity Act, 2003 (the “Electricity Act”) was enacted to regulate the generation, transmission, distribution, trading and use of electricity by authorising a person to carry on the above acts either by availing a license or by



seeking an exemption under the Electricity Act. Additionally, the Electricity Act states no person other than Central Transmission Utility or State Transmission Utility, or a licensee shall transmit or use electricity at a rate exceeding 250 watts and 100 volts in any street or place which is a factory within the meaning of the Factories Act, 1948 or a mine within the meaning of the Mines Act, 1952 or any place in which 100 or more persons are ordinarily likely to be assembled. An exception to the said rule is given by stating that the applicant shall apply by giving not less than 7 days' notice in writing of his intention to the Electrical Inspector and to the District Magistrate or the Commissioner of Police, as the case may be, containing the particulars of electrical installation and plant, if any, the nature and purpose of supply of such electricity. The Electricity Act also lays down the requirement of mandatory use of meters to regulate the use of electricity and authorises the Commission so formed under the Electricity Act, to determine the tariff for such usage. The Electricity Act also authorises the State Government to grant subsidy to the consumers or class of consumers it deems fit from paying the standard tariff required to be paid.

## **B. INTELLECTUAL PROPERTY LAWS**

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

Under the Trademarks Act, 1999 ("Trademarks Act"), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks ("**the Registrar**"), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

### **The Copyright Act, 1957 ("Copyright Act")**

The Copyright Act grants protection to the authors of literary, artistic, dramatic, musical, photographic, cinematographic or sound recording works from unauthorized uses. Various rights including ownership and economic rights are conferred on the author. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire. The penalty for general infringement of copyright is imprisonment of maximum 3 (three) years and a fine of up to Rs.2,00,000/- (Rupees Two Lakhs Only).

## **C. OTHER LAWS**

### **The Companies Act, 2013**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

### **Transfer of Property Act, 1882 ("T.P. Act")**

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: The transfer of ownership in property for a price, paid or promised to be paid.
- Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognises several forms of mortgages over a property.
- Charges: Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- Leave and License: The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

### **The Registration Act, 1908 (“Registration Act”)**

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **Legislations pertaining to Stamp Duty**

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 (“**Stamp Act**”) which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments in the respective schedules of the respective legislations pertaining to stamp duty as applicable in the State. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one State to another. Certain State in India have enacted their own legislation in relation to stamp duty while the other State have adopted and amended the Stamp Act, as per the rates applicable in the State. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from State to State.

## **D. TAX RELATED LEGISLATIONS**

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

Income-tax Act, 1961 (“**IT Act**”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its ‘Residential Status’ and ‘Type of Income’ involved. Every assessee, under the IT Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

### **Central Goods and Services Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 (“**CGST Act**”) regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

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## **Integrated Goods and Services Tax Act, 2017**

Integrated Goods and Services Tax Act, 2017 (“**IGST Act**”) is a Central Act enacted to levy tax on the supply of any goods and/ or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to IGST Act.

Further, the Company is also governed by various State Goods and Service Tax statutes for levy and collection of tax on intra-State supply of goods and services or both which are as follows:

- i. Gujarat Goods and Service Tax Act, 2017.

### **Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

### **E. EMPLOYMENT AND LABOUR RELATED LEGISLATIONS:**

Our Company is governed by various Acts, Statutes and legislations for the safety and protection of the labour and employees either working for or engaged by the Company. Our Company is required to ensure compliance of various labour and employment laws to conduct its business and projects. These include, but are not limited to the following:

- Shops and Commercial Establishment Act for the States of Gujarat where our Company has a commercial establishment;
- The Employees’ Compensation Act, 1923;
- Equal Remuneration Act, 1976;
- Maternity Benefit Act, 1961;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Child Labor Prohibition and Regulation Act, 1986
- The Payment of Wages Act, 1936;
- The Minimum Wages Act, 1948;
- The Payment of Bonus Act, 1965; and
- Payment of Gratuity Act, 1972.

In addition to the above, the following have been promulgated by the Indian parliament and have received the Presidential assent, however, the same have not yet been notified:

### **The Code on Wages, 2019**

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### **The Industrial Relations Code, 2020**

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### **The Code on Social Security, 2020**

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government.

## **REGULATIONS REGARDING FOREIGN INVESTMENT**

Foreign investment in India is governed by the applicable provisions of Foreign Exchange Management Act, 1999 ("**the FEMA**") along with the provisions of Foreign Exchange Management (Non-Debt Instruments Rules), 2019, as amended ("**Non-Debt Instrument Rules**") as well as the FDI Policy, defined below, issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**"), from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

The DPIIT, Ministry of Commerce and Industry has issued 'Consolidated FDI Policy Circular of 2020' ("**FDI Policy**") which consolidates the policy framework on Foreign Direct Investment ("**FDI**"), with effect from October 15, 2010. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till October 15, 2020.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 ("**FEMA Regulations**") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. The foreign investment in our Company is governed *inter alia* by the FEMA, as amended, FEMA Regulations, as amended, the FDI Policy issued and amended by way of press notes, and the SEBI FPI Regulations.

Currently, 100% FDI is permitted under the automatic route in the companies which are engaged in trading activities, subject to the terms and conditions stipulated under the FDI Policy in this regard.

However, an entity 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, can invest only under the Government route.

### **Overseas Direct Investment ("ODI")**

In terms of the Master Direction – Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad issued by the RBI, dated January 1, 2016, as amended on June 24, 2021, an Indian entity is permitted to make ODI under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth as per the last audited balance sheet. ODI can be made by investing in either joint ventures or wholly owned subsidiaries outside India. Any financial commitment exceeding USD one billion (or its equivalent) in a financial year would require prior approval of the RBI, even when the total ODI of the Indian Party is within the eligible limit under the automatic route (i.e., within 400% of the net worth as per the last audited balance sheet).

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Further presently we carry on our operations and business in foreign jurisdictions through our material subsidiary companies and may continue to expand our operations in future. For further details, see “*Our Business*” on page no. 87 of this Draft Red Herring Prospectus. Our business and operations in such foreign jurisdictions are and will be subject to applicable local laws to the company from which we are operating in a particular jurisdiction.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as a public limited company in Vadodara under the Companies Act, 2013, pursuant to a certificate of incorporation dated December 22, 2015, issued by the Assistant Registrar of Companies, Gujarat at Ahmedabad bearing registration no. 085474. The Company's Corporate Identity Number is L51900GJ2015PLC085474.

Our Company has Eight Hundred and Fifty Nine (859) shareholders, as on the date of filing of this Draft Red Herring Prospectus.

### CORPORATE PROFILE OF OUR COMPANY

For information on our Company's business profile, activities, services and managerial competence, please see "Our Management", "Our Business" and "Industry Overview" on page nos. 112, 87 and 70, respectively of this Draft Red Herring Prospectus.

### MAIN OBJECTS

The main object of our Company is as follows:

To carry on the business as exporter, importer, traders, buyers, sellers, merchant, agents, dealers, distributors, commission agents, brokers, stockist, factors, consignors, collaborators, franchisers, concessionaire, consultant, advisors, manufacturer's representative, job worker, assembler, repairers and other wise to deal in all kinds, classes, size, nature and description of Industrial, Commercial, Consumer, Capital Goods, Item, Things, Articles, Commodities, Merchandise, Products whether finished, semi-finished or raw material including chemical, Engineering Goods, Equipments, Apertures, Home-Appliances, Household, Automobiles, Chemicals, Pigments, Colours, Paints and Varnishes, Electrical and electronic goods, Computer Hardware, Software, Gift Article, Toys, Readymade Garments, Fibers and Fabrics, Yam, Textile, Hosiery Goods, Foot wares, Decorative, Glass and Glass Products, Glass ware, Crockery, Beverages, Minerals, Fertilizers, Pesticides, Drugs, Medicines and Pharmaceuticals, Seeds, Food grains, Spices, Cereals, Flours, Fruits, Dry fruits, Vegetables, Herbal and Ayurvedic Products, Agriculture produce and products, Milk and Dairy Products, Food products, Marine Products, Sugar and Sugar Products, Tea and Coffee, Tobacco, Cosmetics, Cement, Cement Product, Ceramics Products, Sanitary ware Salt, Dyes, Intermediates, Diamond, Gold, Jewelry, Novelty, Stationery, Ferrous and non-ferrous metals, Solvent, Oil edible and non-edible, Lubricants, fuel additive, Stones, Marbles and Granites, Mining products, Plastic and Polymers products, Timber, Wood and Wooden article, Furniture, Petroleum product.

### CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Except as disclosed below, there has been no change in the Registered Office of our Company since the date of our incorporation:

Date of Change	Change in Registered Office		Reason for Change
	From	To	
Incorporation	301, Atlantis Heritage, Dr. Vikram Sarabhai Marg, Vadi-Wadi, Vadodara 390 003, Gujarat		Incorporation
January 01, 2018	301, Atlantis Heritage, Dr. Vikram Sarabhai Marg, Vadi-Wadi, Vadodara 390 003, Gujarat	504A, OZONE, Dr. Vikram Sarabhai Marg, Vadi-wadi, Vadodara 390003, Gujarat	Administrative/Operational Convenience

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY IN LAST 10 YEARS

Our Company was incorporated on December 22, 2015. Dates, on which some of the main clauses of the Memorandum of Association of our Company have been changed since incorporation, citing the details of amendment as under:

Date	Nature of Amendment
September 15, 2016	Authorized share capital of our Company was increased from 50,00,000 consisting of 5,00,000 equity shares of ₹ 10 each to 5,50,00,000 consisting of 55,00,000 Equity Shares of ₹ 10 each

Date	Nature of Amendment
August 12, 2017	Authorized share capital of our company was increased from existing ₹ 5,50,00,000 divided in to 55,00,000 Equity Shares of ₹ 10 each to 7,00,00,000 divided into 70,00,000 equity shares of ₹ 10 each
February 15, 2019	Authorized share capital of our company was increased from existing ₹ 7,00,00,000 divided into 70,00,000 equity shares of ₹ 10 each to ₹ 13,00,00,000 divided into 1,30,00,000 equity shares of ₹ 10 each
July 20, 2021	Authorized share capital of our company was increased from existing to ₹ 13,00,00,000 divided into 1,30,00,000 equity shares of ₹ 10 each to ₹ 16,80,00,000 divided into 1,68,00,000 Equity Shares of ₹ 10 each

#### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Month & Year	Event
December 2015	Incorporation of our Company as 'Maximus International Limited' a public limited company under the Companies Act, 2013
January 2016	Company made its first Import purchase and Export Sale and first trade in base Oil Company started its first import from Sharjah, UAE and first export to Nairobi, Kenya
July 2016	Company commenced trading in 'White Oil' and 'Transformer Oil' Company made its first domestic purchase and commenced export to UAE
August 2016	Company began trading in Lubricants Company made its first import purchase from UAE
September 2016	Company allotted 20,00,000 Equity Shares on a Rights basis to its Promoter, Optimus Finance Limited in lieu of part of unsecured loans outstanding Company commenced export trade to Kuwait
October 2016	Company allotted 12,00,000 Equity Shares on a Rights basis to its Promoter, Optimus Finance Limited in lieu of part of unsecured loans outstanding Company added 'Calcium Carbonate' (Plastic Additives) to its product portfolio Company made its first import from Vietnam and commenced export to Qatar
March 2017	Company has listed its Equity Shares by way of Initial Public Offer on SME platform of BSE Limited
April 2017	Company formed Wholly owned subsidiary named "Maximus Global FZE" in Sharjah, UAE
September 2017	Company allotted 10,80,000 Equity Shares on preferential basis to other than Promoter Category
May 2018	Company formed Wholly owned subsidiary named "MX Africa Limited" in Nairobi, Kenya
February 2019	Company allotted 62,86,000 Bonus Shares of Face Value of ₹ 10 each in the ratio of one bonus share for every one share held
July 2019	Migration from SME Platform of BSE to Main Board of BSE
December 2019	Acquisition of 51% ordinary shares of "Quantum Lubricants (E.A.) Limited" (formerly known as Oilzone East Africa Limited) by our Subsidiary MX Africa Limited thereby further strengthen our existence in Africa and expanding our horizon into manufacturing
January 2020	Maximus Lubricants LLC (formerly known as Pacific Lubricants LLC) became subsidiary of Maximus Global FZE (our Subsidiary Company)

#### AWARDS AND ACCREDITATIONS RECEIVED BY OUR COMPANY

Year	Awards/ Accreditations/ Recognitions
July 2019	Received ISO 9001:2015 for Quality Management System in worldwide trading for lubricants, base oils, additives and other chemicals relevant to lubricant industries.

#### LOCK-OUT AND STRIKES

Except standard government holidays or statutory lock-outs (due to COVID-19), there have been no instances of strikes or lock-outs at any time in our Company.

#### SIGNIFICANT FINANCIAL OR STRATEGIC PARTNERSHIPS

Our Company has not entered into any Significant Financial or Strategic Partnerships except as entered in its normal course of business.

## **TIME/COST OVERRUN IN SETTING UP PROJECTS**

There has been no material time and cost overrun in setting up projects.

## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS**

There have not been any defaults or rescheduling of borrowings from financial institutions/banks. For details pertaining to conversion of loans into equity by our Company, please see “*Capital Structure*” on page no. 50 of this Draft Red Herring Prospectus.

## **CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE YEARS**

There have been no changes in the activities of our Company since its date of incorporation which may have had a material adverse effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

## **ACQUISITION OF BUSINESSES / UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS IN LAST 10 YEARS**

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years except as mentioned below:

- Our Company has formed wholly owned subsidiaries outside India namely Maximus Global FZE (Sharjah, UAE) in FY 20017-18 and MX Africa Limited (Nairobi, Kenya) in FY 2018-19, for the purpose of ease of doing business in UAE and Africa.
- Further Maximus Global FZE (MGF) has acquired indirect control over the operations of Maximus Lubricant LLC (MLL) and hence MLL is subsidiary of MGF, and consequently, step down subsidiary of Maximus International Limited.

## **OUR HOLDING COMPANY**

Please see “*Our Promoter*” on the page no. 125 of this Draft Red Herring Prospectus for further details of our Holding Company i.e., Optimus Finance Limited.

## **SUBSIDIARIES**

Please see “*Our Subsidiaries*” on the page no. 135 of this Draft Red Herring Prospectus for further details of our Subsidiaries i.e., Maximus Global FZE, MX Africa Limited, Quantum Lubricants (E.A.) Limited and Maximus Lubricants LLC.

## **SHAREHOLDERS AGREEMENT AND OTHER AGREEMENTS**

Our Company has not entered into any Shareholders Agreement or other agreements as on the date of this Draft Red Herring Prospectus.

## **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTER OR ANY OTHER EMPLOYEE OF THE COMPANY**

There are no agreements entered into by key managerial personnel or a Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

## **GUARANTEES GIVEN BY PROMOTERS**

As on the date of this Draft Red Herring Prospectus, no guarantee has been issued by our Promoter except as disclosed in the “*Financial Indebtedness*” on page no. 216 of this Draft Red Herring Prospectus.



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**AGREEMENTS WITH STRATEGIC PARTNERS, JOINT VENTURE PARTNERS AND/OR FINANCIAL PARTNERS AND OTHER AGREEMENTS**

Our Company has not entered into any other subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

In terms of the Articles of Association, our Company is required to have not less than 3 Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board has six (6) Directors comprising of one (1) Chairman and Managing Director, five (5) Non-Executive Independent Directors including one (1) Woman Director on our Board.

The details of the Directors are as mentioned in the below table:

Sr. No.	Name, Designation, Address, Occupation, DIN, Date of Birth, Period and Term	Age (in years)	Other Directorships
1.	<p><b>Mr. Deepak Raval</b></p> <p><b>Designation:</b> Chairman and Managing Director</p> <p><b>Address:</b> C-401, Bhadrlok Old Padra Road, Near Tube Company, Vadodara 390020, Gujarat</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 01292764</p> <p><b>Date of Birth:</b> August 19, 1959</p> <p><b>Nationality:</b> Indian</p> <p><b>Current Term:</b> Five years i.e. till October 6, 2021, liable to retire by rotation<sup>(1)</sup></p> <p><b>Period of directorship:</b> Director since December 22, 2015</p>	62	<p><b>Indian Companies:</b></p> <ol style="list-style-type: none"> <li>1. Optimus Finance Limited</li> <li>2. Additol Lubricants Limited<sup>(2)</sup></li> <li>3. Sukruti Infratech Private Limited</li> <li>4. Hydrocarbon Development Co Private Limited<sup>(3)</sup></li> </ol> <p><b>Foreign Companies:</b></p> <ol style="list-style-type: none"> <li>1. Maximus Global FZE</li> <li>2. MX Africa Limited</li> </ol>
2.	<p><b>Mr. Murali Krishnamoorthy</b></p> <p><b>Designation:</b> Non Executive Independent Director</p> <p><b>Address:</b> SB, Jains Advika, 55, 3<sup>rd</sup> Main Road, Gandhi Nagar, Adyar, Chennai 600020, Tamil Nadu</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 06929357</p> <p><b>Date of Birth:</b> January 07, 1960</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Five years i.e. till October 11, 2025</p> <p><b>Period of directorship:</b> Director since October 12, 2020</p>	61	<p><b>Indian Companies:</b> Nil</p> <p><b>Foreign Companies:</b></p> <ol style="list-style-type: none"> <li>1. MX Africa Limited</li> <li>2. Quantum Lubricants (E.A.) Limited</li> <li>3. Maximus Global FZE</li> </ol>
3.	<p><b>Mr. Vinay Pandya</b></p> <p><b>Designation:</b> Non- Executive Independent Director</p> <p><b>Address:</b> 03, Shirodhara Apartment, Near Nehrunagar</p>	54	<p><b>Indian Companies:</b></p> <ol style="list-style-type: none"> <li>1. Optimus Finance Limited</li> </ol>

Sr. No.	Name, Designation, Address, Occupation, DIN, Date of Birth, Period and Term	Age (in years)	Other Directorships
	<p>Cross Road, Ambawadi, Manekbag, Ahmedabad 380015, Gujarat</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 08368828</p> <p><b>Date of Birth:</b> September 06, 1966</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Five years i.e. till April 11, 2024</p> <p><b>Period of directorship:</b> Director since April 12, 2019</p>		
4.	<p><b>Mr. Anand Muley</b></p> <p><b>Designation:</b> Non- Executive Independent Director</p> <p><b>Address:</b> 2<sup>nd</sup> Floor, Yaswant Sadan, Shankar Tekri, Dandia Bazar, Vadodara 390001, Gujarat</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 08616809</p> <p><b>Date of Birth:</b> June 25, 1973</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Five years i.e. till November 19, 2024</p> <p><b>Period of directorship:</b> Director since November 20, 2019</p>	48	<p><b>Indian Companies:</b> Nil</p> <p><b>Foreign Companies:</b></p> <ol style="list-style-type: none"> <li>1. Maximus Lubricants LLC (Formerly known as Pacific Lubricants LLC)</li> <li>2. Maximus Global FZE</li> </ol>
5.	<p><b>Mr. Niharkumar Naik</b></p> <p><b>Designation:</b> Non- Executive Independent Director</p> <p><b>Address:</b> 32-B, Ashirwad Park, Chhapra, Near SGM School, Navsari 396445, Gujarat</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b>08302107</p> <p><b>Date of Birth:</b> August 04, 1987</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Five years i.e. till December 11, 2023</p> <p><b>Period of directorship:</b> Director since December 12, 2018</p>	34	<p><b>Indian Companies:</b></p> <ol style="list-style-type: none"> <li>1. Optimus Finance Limited</li> </ol>
6.	<p><b>Ms. Jigisha Thakkar</b></p> <p><b>Designation:</b> Non Executive Independent Director</p>	33	<p><b>Indian Companies:</b></p> <ol style="list-style-type: none"> <li>1. Optimus Finance Limited</li> </ol>

Sr. No.	Name, Designation, Address, Occupation, DIN, Date of Birth, Period and Term	Age (in years)	Other Directorships
	<p><b>Address:</b> A-1, 2/6, Narmada Nagari, Opp. Gorwa ITI, Gorwa, Sahyog, Vadodara Industrial Estate, Vadodara 390016, Gujarat</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 08536332</p> <p><b>Nationality:</b> Indian</p> <p><b>Date of Birth:</b> January 22, 1988</p> <p><b>Term:</b> Five years i.e. till August 12, 2024</p> <p><b>Period of directorship:</b> Director since August 13, 2019</p>		

<sup>(1)</sup> Mr. Deepak Raval was appointed as the first director and was re-designated as Managing Director pursuant to a Board resolution and Shareholders resolution dated October 10, 2016 for a term of five years with effect from October 7, 2016. He was appointed as Chairman of the Company pursuant to Board Resolution dated December 10, 2016.

Mr. Deepak Raval, had attracted dis-qualification under Section 164(2)(a) read with Section 167(1)(a) of the Companies Act, 2013 and accordingly, he ceased to continue as Director of the Company with effect from September 30, 2017 as per the MCA press release dated September 5, 2017 and his DIN: 01292764 was deactivated. He was appointed as the Chief Executive Officer with effect from February 10, 2018.

Mr. Deepak Raval then approached the Hon'ble Gujarat High Court, Ahmedabad and filed Petition vide Special Civil Application Number 6824 of 2018 challenging the action of the MCA/ROC, Gujarat at Ahmedabad. The Hon'ble Gujarat High Court, Ahmedabad vide order dated December 18, 2018 stated that the Petition filed by Mr. Deepak Raval (DIN: 01292764) is allowed, the List notified by the MCA/ROC is quashed and the Respondents i.e. Union of India and the ROC, Ahmedabad is directed to activate the Director Identification Number (DIN) of Mr. Deepak Raval and thereupon, the Ministry of Corporate Affairs (MCA) reactivated his DIN: 01292764.

Accordingly, with effect from December 26, 2018, Mr. Deepak Raval was reinstated as the Managing Director of our Company and ceased to be the Chief Executive Officer. Further, our Company vide Board resolution dated June 18, 2021 and Shareholders Resolution dated July 20, 2021 have re-appointed Mr. Deepak Raval as Managing Director with effect from October 7, 2021 for a further term of five years, liable to retire by rotation.

<sup>(2)</sup> Mr. Deepak Raval has given notice of resignation to the said company on March 10, 2014 and the same was acknowledged by the Company. Then, he filed Form DIR 11 with RoC which is notice of Resignation. However, due to technical difficulties the company was not able to file the corresponding DIR-12 for resignation with the RoC.

<sup>(3)</sup> The Company is under Liquidation as on date of this Draft Red Herring Prospectus.

## BRIEF PROFILE OF OUR DIRECTORS

**Mr. Deepak Raval**, aged 62 years, is the Chairman & Managing Director of our Company. He has completed his Bachelor degree of Commerce and also completed his graduation in Law (LLB) from Saurashtra University, Rajkot. He is also Fellow member of the Institute of Company Secretaries of India (ICSI) and also a certified associate of The Indian Institute of Bankers, Mumbai (CAIIB). He has more than four decades vast experience in the field of lubricants & specialty oil sector, company law, secretarial matters, securities laws, capital market, banking & finance. He was associated with Vadodara Stock Exchange and VSE Stock Services Limited (WOS of Vadodara Stock Exchange Ltd) as Managing Director & CEO respectively. Currently he is also Whole-time Director and Company Secretary of our Promoter Company i.e. Optimus Finance Limited. He has been associated with our Company since incorporation and is pivotal in the overall growth and strategic development of our Company. He also looks after the Secretarial and Compliance department of our Company.

**Mr. Murali Krishnamoorthy**, aged 61 years, is the Non-Executive Independent Director our Company. He holds qualification of B. Sc Tech from Nagpur University. He has enriched experience of around 37 years in Petroleum Industry. He has been part of management and operational team of Petroleum Giants like Reliance Industries Limited,

Gulf India Oil Limited, Hindustan Petroleum Corporation Limited. His expertise is in the area of marketing and sales, business development, international trading and imports, logistics, technical services, operations, etc.

**Mr. Vinay Pandya**, aged 54 years, Advocate, High Court of Gujarat holds a bachelor degree in Commerce and Law from the Gujarat University and possesses more than two and a half decades of enriched experience as a Lawyer for the Company matters, attended DRTs and various Judicial Courts & Regulatory Authorities. He is Non-Executive Independent Director in our Company as well as in our Holding Company.

**Mr. Anand Muley**, aged 48 years, Non-Executive Independent Director our Company, holds a Bachelor degree in Commerce with specialization in Accounting & Auditing. He has around two decades of enriched experience in the field of human resource and administration.

**Mr. Niharkumar Naik**, aged 34 years, Non-Executive Independent Director our Company is a practicing Cost & Management Accountant. He holds a master degree in Commerce from the Gujarat University and is a member of The Institute of Cost Accountants of India. He possesses 4 years of experience in the field of Cost Auditing, Inventory Management & Cost Control Techniques, Compliance Reporting, Accounts, Taxation and GST. He also has more than 4 years of experience in Education Sector. He is Non-Executive Independent Director in our Company as well as in our Holding Company.

**Ms. Jigisha Thakkar**, aged 33 years, holds a Bachelor degree in Commerce and Master of Business Administration (Industry Integrated). She is Business Analyst with more than a decade of experience handled multiple projects simultaneously. She is tech savvy with outstanding relationship building, training and presentation skills. She is also conversant with time management, problem solving and critical thinking approach. She is Non-Executive Independent Director in our Company as well as in our Holding Company.

## CONFIRMATIONS

As on the date of this Draft Red Herring Prospectus:

1. None of the Directors of our Company are related to each other.
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of our Directors have been identified as a wilful defaulter (as defined in the SEBI ICDR Regulations).
5. None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
6. Further, none of our Directors are or were directors of any Company whose shares have been/were:
  - a) Suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or;
  - b) Delisted from the stock exchange(s) during the term of their directorship in such companies.
7. None of the Promoters or Directors has been or is involved as a promoter or director of any other Company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

## DETAILS OF BORROWING POWERS

Pursuant to a special resolution passed at an Annual General Meeting of our Company held on July 20, 2021 and pursuant to provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time in excess of aggregate of paid up capital and free reserves (apart from temporary loans obtained / to be

obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 100 crores.

## PAYMENT OR BENEFIT TO DIRECTORS OF OUR COMPANY

The sitting fees/other remuneration paid to our Directors in Financial Year 2021 are as follows:

### 1. Remuneration to Executive Directors:

#### *Mr. Deepak Raval, Chairman and Managing Director*

No compensation (including contingent or deferred compensation accrued but payable at a later date) was paid or benefits in kind granted on an individual basis to Mr. Deepak Raval in Financial Year 2021 by our Company for services in all capacities to the Company.

He is also Whole-time Director and Company Secretary of our Promoter Company, Optimus Finance Limited for administrative convenience and better functioning of both Holding as well as its Subsidiary Company. He draws salary and remuneration from Optimus Finance Limited. During financial year 2020-21, he was paid a gross compensation of ₹ 19.53 lakhs from Optimus Finance Limited.

### 2. Remuneration to Non Executive Directors:

Pursuant to the resolution passed by the Board of Directors of our Company at their meeting held on August 11, 2018, our Non Executive Independent directors are entitled to receive a sitting fee of ₹ 3,000 for attending each meeting of our Board.

Other than sitting fees as disclosed below, no compensation (including contingent or deferred compensation accrued but payable at a later date) was paid or benefits in kind granted on an individual basis to any of our Non-Executive Directors or Independent Directors in Financial Year 2020-21 by our Company for services in all capacities to the Company or was paid. Mr. Niharkumar Naik, Mr. Vinay Pandya and Ms. Jigisha Thakkar who are also on the Board of Directors of our Promoter Company, Optimus Finance Limited draw sitting fee from our Promoter Company. Except as disclosed herein, our Non Executive Directors who are also on the Board of our Promoter Company and our Subsidiaries do not draw any remuneration from our Promoter Company or Subsidiaries.

Details of sitting fees paid to our Non-Executive Directors in Financial Year 2020-21 are set out below:

Sr. No.	Name of Director	Sitting Fees Paid
1.	Mr. Murali Krishnamoorthy <sup>(1)</sup>	-
2.	Mr. Vinay Pandya	12,000
3.	Mr. Anand Muley <sup>(2)</sup>	-
4.	Mr. Niharkumar Naik	12,000
5.	Ms. Jigisha Thakkar	9,000

<sup>(1)</sup> Mr. Murali Krishnamoorthy waived off sitting fee pursuant to sitting fee waiver letter to Company dated October 12, 2020

<sup>(2)</sup> Mr. Anand Muley waived off sitting fee pursuant to sitting fee waiver letter to Company dated November 20, 2019

Remuneration paid to our Non-Executive Directors in Fiscal 2020-21: Nil

## SHAREHOLDING OF OUR DIRECTORS IN THE COMPANY

Our Articles of Association do not require our Directors to hold qualification shares. As on date of this Draft Red Herring Prospectus; none of our Directors hold Equity Shares of our Company.

## SHAREHOLDING OF DIRECTORS IN OUR SUBSIDIARIES

None of our Directors holds any equity shares in our Subsidiaries.

## APPOINTMENT OF RELATIVES OF OUR DIRECTORS TO ANY OFFICE OR PLACE OF PROFIT

None of the relatives of our directors currently holds any office or place of profit in our Company.

## INTEREST OF DIRECTORS

All of our Directors may be deemed to be interested to (i) the extent of fees payable to them for attending meetings of the Board; (ii) their being directors on the board of directors and/or shareholders of our Promoter Company, our Subsidiaries and our Group Company and (iii) their shareholding in the Company, the payment of dividends on the Equity Shares held by them and other distributions in respect of the Equity Shares, if any.

Our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company in the normal course of business with any Company in which they hold Directorships or any partnership firm in which they are partners. For further details, please see "*Related Party Transaction*" beginning on page no. 181 of this Draft Red Herring Prospectus.

Except as stated in "*Our Management*" and "*Related Party Transactions*" beginning on page nos. 112 and 181 of this Draft Red Herring Prospectus, our directors do not have any other interest in our business.

Except as disclosed in "*Our Business - Properties*" on page no. 101 of this Draft Red Herring Prospectus, our Directors do not have any other interest in any property acquired/rented by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of Draft Red Herring Prospectus.

Further, no officer of our Company, including our Directors and the Key Management Personnel, has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Except as mentioned below, there have been no changes in our Directors in the last three years:

Sr. No.	Name of Director	Date of Appointment / Change	Reason for Change
1.	Mr. Deepak Raval	December 26, 2018	Resignation as CEO
2.	Mr. Niharkumar Naik	December 12, 2018	Appointed as Independent Director
3.	Mr. Vikesh Jain	December 26, 2018	Resignation as Independent Director
4.	Mr. Vinay Pandya	April 12, 2019	Appointed as Independent Director
5.	Mr. Murali Krishnamoorthy	April 12, 2019	Resignation as Independent Director
6.	Ms. Jigisha Thakkar	August 13, 2019	Appointed as Independent Director
7.	Ms. Mansi Desai	August 13, 2019	Resignation as Independent Director
8.	Mr. Anand Muley	November 20, 2019	Appointed as Independent Director
9.	Mr. Paresh Thakkar	August 17, 2020	Appointment as Whole-time Director
10.	Mr. Murali Krishnamoorthy	October 12, 2020	Appointed as Independent Director
11.	Mr. Paresh Thakkar	June 1, 2021	Resignation as Whole-time Director

## CORPORATE GOVERNANCE

As on the date of filing this Draft Red Herring Prospectus, we have six (6) Directors on our Board, of whom five (5) are Independent Directors and one (1) is an Executive Director. Out of six (6) Directors, one (1) Director is a woman Director. In compliance with Section 152 of the Companies Act, 2013, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report. We have complied with the requirements of the applicable regulations, including Regulations, in respect of Corporate Governance including constitution of the Board and its Committees. The Corporate Governance framework is based on an effective Independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas.

The following committees have been constituted in terms of SEBI Listing Regulations and the Companies Act, 2013.

- (1) Audit Committee;
- (2) Stakeholders Relationship Committee;

(3) Nomination and Remuneration Committee;

#### A. AUDIT COMMITTEE

Our Board has re-constituted the Audit Committee in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations by a resolution dated February 10, 2021. The audit committee comprises:

Name of Directors	Nature of Directorship	Designation in Committee
Mr. Niharkumar Naik	Non Executive Independent Director	Chairman
Mr. Deepak Raval	Chairman & Managing Director	Member
Mr. Vinay Pandya	Non Executive Independent Director	Member
Ms. Jigisha Thakkar	Non Executive Independent Director	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

1. Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  1. 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
  2. Changes, if any, in accounting policies and practices and reasons for the same.
  3. Major accounting entries involving estimates based on the exercise of judgment by management.
  4. Significant adjustments made in the financial statements arising out of audit findings.
  5. Compliance with listing and other legal requirements relating to financial statements.
  6. Disclosure of any related party transactions.
  7. Qualifications 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/notice and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, 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 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.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

**The Audit Committee enjoys following powers:**

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise if it considers necessary
5. The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

**The Audit Committee shall mandatorily review the following information:**

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and

- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- f) Statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations. (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(5) of SEBI Listing Regulations.

The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

### Quorum and Meetings

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

### B. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee of our Board was re-constituted by our Board of Directors pursuant to section 178 (5) of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations vide resolution dated April 12, 2019. The Stakeholder's Relationship Committee comprises of:

Name of Directors	Nature of Directorship	Designation in Committee
Mr. Niharkumar Naik	Non Executive Independent Director	Chairman
Mr. Deepak Raval	Chairman & Managing Director	Member
Mr. Vinay Pandya	Non Executive Independent Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- Allotment and listing of our shares in future.
- Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

### Quorum and Meetings

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater.

### C. NOMINATION AND REMUNERATION COMMITTEE

Our Board has constituted the Nomination and Remuneration Committee in accordance with the Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations. Further, the Nomination and Remuneration Committee was reconstituted by way of a Board resolution dated August 13, 2019. The Nomination and Remuneration Committee comprises:

Name of Directors	Nature of Directorship	Designation in Committee
Mr. Niharkumar Naik	Non Executive Independent Director	Chairman
Mr. Vinay Pandya	Non Executive Independent Director	Member
Ms. Jigisha Thakkar	Non Executive Independent Director	Member

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

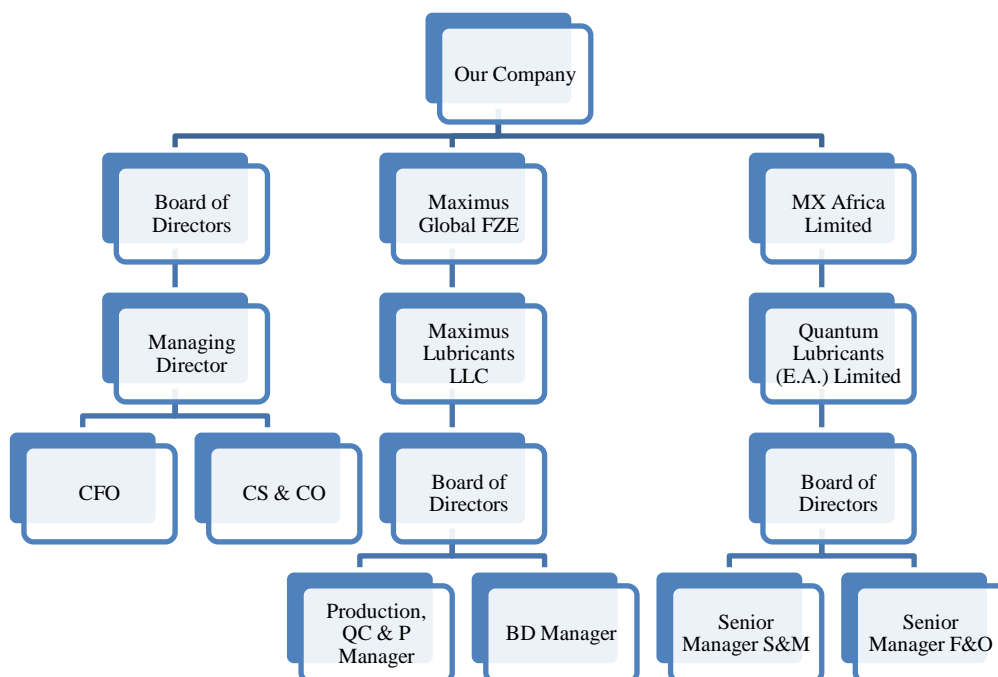
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The Company Secretary of our Company acts as the Secretary to the Committee.

### Quorum and Meetings

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

### ORGANIZATIONAL STRUCTURE



### Abbreviations:

- BD : Business Development  
 CFO : Chief Financial Officer  
 CS & CO : Company Secretary and Compliance Officer  
 F & O : Finance & Operation  
 QC & P : Quality Control and Planning  
 S & M : Sales & Marketing

## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company, our Holding Company or our Subsidiary Companies. In addition to Mr. Deepak Raval, Chairman & Managing, whose details have been provided under the paragraph “*Brief profile of our Directors*”, the details of our other Key Managerial Personnel, are as follows.

**Ms. Dharati Shah**<sup>(1)</sup>, aged 34 years, is the Company Secretary and Compliance Officer of our Company. She has been appointed as the Company Secretary and Compliance Officer of our Company with effect from October 01, 2016. She holds Masters Degree of Commerce from M.S. University, Baroda and is a member of the Institute of Company Secretaries of India. She also holds post graduate diploma in Taxation Law and Practice. Post qualification she has around six years of work experience in the field of secretarial laws, due diligence, legal and other compliances. Prior to joining our Company, she has worked under Bipin & Company (Chartered Accountants Firm) and H. M. Mehta & Associates (Practicing Company Secretary Firm). During financial year 2020-21, she was paid a gross compensation of ₹ 3.60 lakhs.

<sup>(1)</sup> After marriage her name is changed to “Dharati Bhavsar” and is updated in PAN and Aadhaar Card. However, name is yet to change with MCA and is under process.

**Mr. Milind Joshi**, aged 29 years, is the Chief Financial Officer of our Company. He is a member of Institute of Chartered Accountants of India, Institute of Company Secretaries of India and The Institute of Cost & Works Accountants of India. He also holds Diploma in Information System Audit and has completed Master Degree in Commerce from M.S. University, Baroda. Post qualification, he has overall experience of 6 years in corporate finance, financial planning and strategy financial statement analysis, internal controls, legal and statutory compliances. Before joining our company, he associated with Deloitte Haskins & Sells as Assistant Manager, BSR & Co LLP (KPMG) and CNK India LLP. He also led the zonal statutory audit team Gujarat Corporative Milk Marketing Federation Limited. He has completed National Eligibility Test conducted by University Grant Commission. He has also been accredited with Junior Research Fellowship Award by University Grant Commission (UGC) of India. He was appointed in our Company at the position of Lead - Global Finance and Strategy in the year 2018. He was further promoted and designated as a CFO of our Company as on June 1, 2021. He is also the CFO of our Holding Company Optimus Finance Limited. During financial year 2020-21, he was paid a gross compensation of ₹ 14.86 lakhs.

**Mr. Chetan Patel**, aged 55 years, is the Production, Quality Control and Planning Manager in Maximus Lubricants LLC. He holds Bachelor’s Degree in Science from Gujarat University. He has more than three decade of experience in the field of manufacturing and production of lubricants. During the financial year 2020-21, he was paid a gross compensation of ₹ 63.46 lakhs.

**Mr. Hariom Jani**, aged 50 years, is the Business Development Manager of Maximus Lubricants LLC since 2017. He holds Bachelor’s Degree in Commerce from Maharaja Sayajirao University of Baroda. He has more than three decades of experience in the field of Sales, Marketing, Accounts and Operations. During the financial year 2020-21, he was paid a gross compensation of ₹ 40.36 lakhs.

**Mr. Charles Ndegwa**, aged 38 years, is the Senior Manager in Sale & Marketing Department of Quantum Lubricants (E.A.) Limited since 2017. He has completed Certified Public Accountant Part 1 (CPA Section 1 & 2) and Accounting Technician Certification (ATC 1 & 2) from Egerton University, Kenya. He holds Diploma in Sales & Marketing Management from The Kenya Polytechnic. He has around one and a half decade of experience in the field of Sales & Marketing. During the financial year 2020-21, he was paid a gross compensation of ₹ 22.65 lakhs.

**Ms. Emily Valentine Oduor**, aged 34 years, is the Senior Manager in Finance & Operations Department of Quantum Lubricants (E.A.) Limited. She has completed Certified Public Accountant (CPA Part 1 & 3). She also holds Bachelor’s Degree in Commerce (Finance) from Mount Kenya University. She has around one decade of experience in the field of Finance and Accounts. She joined Quantum Lubricants (E.A.) Limited as Accountant in 2012 and was promoted to the level of Senior Manager. During the financial year 2020-21, she was paid a gross compensation of ₹ 16.37 lakhs.

### Relationship amongst the Key Management Personnel

None of our key managerial personnel are related to each other.

### **Shareholding of the Key Management Personnel**

None of our Key Managerial Personnel hold Equity Shares as on the date of this Draft Red Herring Prospectus.

### **Service Contracts with Key Managerial Personnel**

Our Key Managerial Personnel have not entered into any service contracts with our Company which provide for any benefits upon termination of their employment in our Company. Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including Key Managerial Personnel is entitled to any benefit upon termination of such officer's employment or superannuation.

### **Interest of Key Managerial Personnel**

None of our Key Management Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel may also be interested to the extent of Equity Shares, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares.

### **Loans taken by Key Management Personnel**

None of our Key Managerial Personnel have taken any loan from our Company as on the date of this Draft Red Herring Prospectus.

### **Arrangement or Understanding with Major Shareholders**

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel was selected as a member of our senior management.

### **Changes in our Key Managerial Personnel in the Last Three Years from the Date of this Draft Red Herring Prospectus**

Except as mentioned below, there have been no changes in our Key Managerial Personnel in the last three years:

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment/ Change in Designation</b>
Mr. Paresh Thakkar	Chief Financial Officer	Cessation on June 1, 2021
Mr. Milind Joshi	Chief Financial Officer	Appointment on June 1, 2021
Ms. Emily Valentine Oduor	Senior Manager Finance & Operations of Quantum Lubricants (E.A.) Limited	Appointment on November 01, 2020

### **Bonus or Profit Sharing Plan of the Key Managerial Personnel**

There is no profit sharing plan for the Key Managerial Personnel. Our Company makes payment for salaries, insurance and bonus payments, in accordance with their terms of appointment.

### **Contingent and Deferred Compensation Payable to Key Managerial Personnel**

There is no contingent or deferred compensation payable to our Key Managerial Personnel, which does not form part of their remuneration.

### **Payment or Benefit to officers of our Company (non-salary related)**

No non-salary related amount or benefit has been paid or given within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to any officer of the Company, including our Directors and Key Managerial Personnel.

### **Employee Stock Option Plan**

Our Company has no employee stock option plan.

## **Employees**

The details about our employees appear in “*Our Business – Employees*” beginning on page no. 100 of this Draft Red Herring Prospectus.

## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTER

As on the date of this Draft Red Herring Prospectus, Optimus Finance Limited is the Promoter of our Company and it is our Holding Company with 63.63% of the pre-issue paid-up Equity Share of our Company.

#### Corporate Information

<b>Permanent Account Number</b>	AABCT7283J
<b>Company Identification Number (CIN)</b>	L65910GJ1991PLC015044
<b>Registered Office</b>	504A, OZONE, Dr. Vikram Sarabhai Marg, Vadi-wadi, Vadodara 390003, Gujarat
<b>Address of ROC with which the Company was registered</b>	ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad 380013, Gujarat
<b>Bank Account Number</b>	915020032161417
<b>Name of the Bank and Branch</b>	Axis Bank (Vardhaman Complex, Opp. G.E.B., Race Course Circle (North), Vadodara 390007, Gujarat)
<b>Scrip &amp; Listing Code</b>	OPTIFIN and 531254
<b>Listed On</b>	BSE Limited
<b>Listing Date</b>	November 27, 1995

#### History and Brief Description

Optimus Finance Limited (OFL) was originally incorporated as Kalali Finance and Leasing Company Limited (KFLCL) on February 11, 1991 at Ahmedabad as Public Limited Company under the Companies Act, 1956 pursuant to certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli vide registration No. 04-15044 of 1990-91. KFLCL received its Certificate of Commencement of Business on April 08, 1991. Subsequently, name of the company was changed to Transpek Finance Limited (TFL) and a fresh Certificate of Incorporation pursuant to change of name was issued on June 23, 1992 by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. In the year 1995, TFL made an Initial Public Offering.

On January 16, 2015, then Promoters of TFL, i.e. Mr. Mukesh Patel, Mr. Niraj Patel, Mr. Dushyant Patel, Ms. Minu Patel and Abhigam Consultants Private Limited entered into a SPA to sell their entire holding of 16,90,535 Equity Shares amounting to 47.32% to Sukruti Infratech Private Limited (SIPL) triggering Open Offer. Further, SIPL completed the formalities of the Open Offer under the SEBI (SAST) Regulations, 2011 vide Letter of Offer dated June 16, 2015. Accordingly, SIPL became a major shareholder and acquired control of the Company by holding 25,82,210 Equity Shares amounting to 72.28% of the total paid-up capital of TFL.

The name of the Company was further changed to Optimus Finance Limited vide special resolution dated September 26, 2015 and a fresh Certificate of Incorporation was issued on October 16, 2015.

OFL is a Non Public Deposit accepting Non Banking Financial Company registered with Reserve Bank of India (RBI). The company had obtained its certificate of registration to carry on the business as a NBFC on May 20, 2004 bearing registration number B.01.00070 under the name of Transpek Finance Limited. Subsequently, upon change of name of the company to Optimus Finance Limited, a fresh certificate of registration from RBI was received on October 26, 2015 bearing registration number B.01.00556.

OFL's equity shares have been listed on BSE Limited since November 27, 1995.


#### The Main Objects of OFL are:

1. To carry on and undertake the business of Leasing and Hire purchase finance of movable and immovable properties of all kind and to purchase, sale, resale of any movable or immovable properties.
2. To carry on the business of financing, factoring, Underwriting or any other form of finance to Industrial or Business Enterprises.

## Promoter of OFL

OFL is promoted by Sukruti Infratech Private Limited ('SIPL') which holds 72.27% of the paid-up capital. For further details pertaining to history of SIPL, please see "Our Group Company" on page no. 132 of the Draft Red Herring Prospectus.

The natural persons having control over SIPL is Mr. Aniruddh Gandhi. As on date, he holds 90.92% shares of SIPL.

Mr. Aniruddh Gandhi	
	<p>Mr. Aniruddh Gandhi, aged 26 years, promoter of SIPL, holds Master of Science in Management (Concentration in Entrepreneurial Leadership) from Babson College, Wellesley, Massachusetts, United States. He also holds Bachelor of Science (Chemical Engineering) from University of Illinois, Urbana-Champaign, Illinois, United States. He has around 3 years of experience in the field of business and product development and 2 years of experience as a technology consultant wherein he was into software, hardware and firmware troubleshooting. Since 2018, he is an advisor to the Business and Product Development division of Maximus Lubricants LLC, UAE, our Subsidiary, wherein he provides his professional expertise in customer, market and product creation/development.</p>

*Further the Board of Directors of Sukruti Infratech Private Limited are:*

1. Mr. Deepak Raval
2. Mr. Aniruddh Gandhi

## Board of Directors of OFL

The board of directors of OFL as on the date of this Draft Red Herring Prospectus are as set out below:

1. Mr. Deepak Raval, Whole-time Director
2. Mr. Niharkumar Naik, Non-Executive Independent Director
3. Mr. Vinay Pandya, Non-Executive Independent Director
4. Ms. Jigisha Thakkar, Non-Executive Independent Director



## Shareholding pattern of OFL

The shareholding pattern of OFL as on the date of this Draft Red Herring Prospectus is as follows:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid up Equity Shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming Full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII) Number of Equity Shares held in		Number of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights						No.	As a % of total Shares held (b)	No.	As a % of total Shares held (b)	
								Class: Equity	Class: N/A	Total	Total as a % of (A+B+C)							
(A)	Promoter & Promoter Group	1	40,27,103	-	-	40,27,103	72.27	40,27,103	-	40,27,103	72.27	-	-	-	-	-	-	40,27,103
(B)	Public	2,621	15,45,197	-	-	15,45,197	27.73	15,45,197	-	15,45,179	27.73	-	-	-	-	-	-	12,58,277
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>2,622</b>	<b>55,72,300</b>	<b>-</b>	<b>-</b>	<b>55,72,300</b>	<b>100.00</b>	<b>55,72,300</b>	<b>-</b>	<b>55,72,300</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,85,380</b>

Our Company confirms that the permanent account numbers, bank account numbers, the company registration numbers and addresses of the registrar of companies where our corporate Promoter, OPL is registered, have been submitted to the Stock Exchange at the time of filing of the Draft Red Herring Prospectus.

### Financial Information

The following information has been derived from the audited financial statements/results of OFL (on consolidated basis) for the last three financial years:

(₹ in lakhs except per share value)

Particulars	As at March 31		
	2018-19	2019-20	2020-21 <sup>(1)</sup>
Equity Capital	557.23	557.23	557.23
Reserves (excluding Revaluation Reserve)	775.11	961.22	1085.92
Sales	6,026.05	3,196.99	5,343.01
Profit after Tax	231.40	271.73	355.84
Earnings Per Share (Rs.)	2.93	2.87	3.60
Diluted Earnings Per Share (Rs.)	2.93	2.87	3.60
Net Asset Value Per Share (Rs.)	23.91	27.25	29.49

<sup>(1)</sup> Approved by Board of Director of Optimus Finance Limited vide their meeting on May 29, 2021. Adoption by Shareholders of Optimus Finance Limited in their meeting is under process.

There are no significant qualifications or matters of emphasis notes of the auditors in relation to the aforementioned consolidated financial statements.

### Share Price Information

The Equity Shares of OFL is listed on BSE. The details of the highest and lowest price on the BSE during the preceding six months are as follows:

Month	High (Rs.)	Low (Rs.)
July 2021	28.35	24.80
June 2021	29.60	22.30
May 2021	23.15	19.60
April 2021	23.25	19.95
March 2021	27.55	20.50
February 2021	31.90	22.70

Source: [www.bseindia.com](http://www.bseindia.com)

The market capitalization of OFL as on the date of this Draft Red Herring Prospectus on BSE was ₹ 1674.48 lakhs.

### Previous Issues

For details of previous issues by OFL, please see “Other Regulatory and Statutory Disclosures” on page no. 230 of the Draft Red Herring Prospectus.

### Promise vis-à-vis Objects

For details of Promise vis-à-vis Objects, please see “Other Regulatory and Statutory Disclosures” on page no. 230 of the Draft Red Herring Prospectus.

### Mechanism for Redressal of Investor Grievance

All share related matters namely transfer, transmission, transposition, nomination, dividend, change of name, address and signature, registration of mandate and power of attorney, replacement, split, consolidation,

dematerialization and dematerialization of shares, issue of duplicate certificates etc. are handled by OFL's registrars and transfer agents, Link Intime India Private Limited.

Investors correspond directly with Link Intime India Private Limited, on all share related matters. OFL has an established mechanism for investor service and grievance handling, with Link Intime India Private Limited and the compliance officer appointed by OFL for this purpose being the important functional nodes.

Further, OFL has constituted Shareholders Relationship committee consisting of Mr. Deepak Raval, Mr. Niharkumar Naik and Mr. Vinay Pandya, which, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with securities transfers and other processes. As on the date of this Draft Red Herring Prospectus, there were no investor complaints pending against OFL.

### **Change in Control of our Company**

There has not been any change in the direct control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

However, there has been change in the control of SIPL, our ultimate Promoter Company. Mr. Aniruddh Gandhi acquired 45,00,000 Equity Shares of SIPL from Mrs. Alpana Gandhi, then promoter of SIPL, by way of gift (inter-se transfer) vide share transfer dated December 12, 2019.

### **Experience of our Promoter in the business of our Company**

The Promoter of our Company (Holding Company) is engaged in business of finance being a RBI registered NBFC.

Our Company is managed by our Managing Director, Mr. Deepak Raval, who had been associated with chemical and lubricant businesses and also has a vast experience in management of trade, business and other compliance related activities.

### **Interest of Promoter**

OFL is interested in our Company to the extent that it is the Promoter of our Company, its shareholding in our Company, dividend payable and other distributions in respect of the Equity Shares.

Further, Mr. Deepak Raval, Mr. Vinay Pandya, Mr. Niharkumar Naik and Ms. Jigisha Thakkar are directors on the board of our Promoter and are also our Directors.

Except as mentioned in "*Financial Information*", "*Capital Structure*" and "*Our Management*" on page nos. 139, 50 and 112 respectively of this Draft Red Herring Prospectus, our Promoter does not have any interest in our Company other than as promoters.

No part of the proceeds of this Issue is payable to the OFL.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoter are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business. For further details, please see "*Annexure 40 - Related Party Transaction*" on page no. 181 of this Draft Red Herring Prospectus.

### **Interest of Promoters in the Property of our Company**

Our Company has entered into a sub-leased agreement for sharing office premises situated at 504A, OZONE, Dr. Vikram Sarabhai Marg, Vadi-Wadi, Vadodara 390003 with our Promoter Company for commercial purpose. For further details, please see "*Annexure 40 - Related Party Transaction*" on page no. 181 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, our Promoter have confirmed that they do not have any interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery, other than as mentioned in “*Our Business*” on page no. 87 of this of this Draft Red Herring Prospectus.

### **Business Interests**

Except as disclosed below, our Promoter is not interested in our Company, our Subsidiaries and our Group Entities with which our Company transacts during the course of its operations. For details, see “*History and Certain Corporate Matters*” and “*Our Management*” on page nos. 108 and 112 respectively.

Further, Mr. Deepak Raval, Mr. Vinay Pandya, Mr. Niharkumar Naik and Ms. Jigisha Thakkar are directors on the board of our Promoter and are also our Directors. Mr. Deepak Raval, Mr. Anand Muley and Murali Krishnamoorthy are also on the board of our Subsidiaries and our Group Company. For details, see “*Our Group Company*”, “*Our Subsidiaries*” and “*Our Management*” on page nos. 132, 135 and 112 respectively.

Our Promoter is not interested in our Subsidiaries, which are involved in activities similar to those conducted by our Company. There are common pursuits between our Company and our Subsidiaries.

We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For further details, see “*History and Certain Corporate Matters*”, “*Our Group Company*” and “*Consolidated Restated Financial Information*” on page nos. 108, 132 and 139, respectively.

Except the details of other ventures of our Promoter set out above, our Promoter is not interested in the Company as a member of a firm or company. Further, no sum has been paid or agreed to be paid to any of our Promoter or to any such firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise, for services rendered by such Promoter(s) or by such firm or company in connection with the promotion or formation of our Company.

### **Payment of Amounts or Benefits to the Promoter or Promoter Group During the last two years**

Except as stated in “*Annexure 40 – Related Party Transactions*” on page no. 181 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoter or Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus.

### **Material Guarantees**

Our Promoter has not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

### **Companies with which our Promoter have disassociated in the last three years**

Our Promoter have not disassociated itself from any company in the last three years preceding the date of this Draft Red Herring Prospectus.

### **Shareholding of the Promoter Group in our Company**

For details of shareholding of members of our Promoter Group as on the date of this Draft Red Herring Prospectus, please see “*Capital Structure – Notes to Capital Structure*” beginning on page no. 50 of this Draft Red Herring Prospectus.

### **Outstanding Litigation**

There is no outstanding litigation against our Promoter except as disclosed in “*Risk Factors*” and “*Outstanding Litigation and Material Developments*” beginning on page nos. 19 and 222 of this Draft Red Herring Prospectus.

## OUR PROMOTER GROUP

Our Promoter, Optimus Finance Limited, is a Corporate Promoter and hence our Promoter Group under Regulation 2(1)(pp)(iii) of the SEBI Regulations are as follows:

Sr. No.	Relationship with Corporate Promoter	Name of Promoter Group
1.	a subsidiary or holding company of such body corporate	Sukruti Infratech Private Limited
2.	any body corporate in which the promoter holds twenty per cent. or more of the equity share capital; and/or any body corporate which holds twenty per cent. or more of the equity share capital of the promoter	Sukruti Infratech Private Limited
3.	any body corporate in which a group of individuals or companies or combinations thereof acting in concert, which hold twenty per cent. or more of the equity share capital in that body corporate and such group of individuals or companies or combinations thereof also holds twenty per cent. or more of the equity share capital of the issuer and are also acting in concert	Nil
4.	all persons whose shareholding is aggregated under the heading shareholding of the promoter group	Nil

## OUR GROUP COMPANY

The definition of ‘Group Companies’ pursuant to the regulation 2(1)(t) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board.

Pursuant to a Board resolution dated August 13, 2021, the Board adopted a revised policy with respect to company which it considered material to be identified as group company. Our Board has approved those companies which (a) is a member of the Promoter Group (other than the Company’s Corporate Promoters); and (b) has entered into one or more transactions with our Company during the preceeding financial year of the Restated Financial Statements.

Accordingly, Sukruti Infratech Private Limited has been identified as a Group Company and our Board has approved that other than as mentioned herein, there are no companies which are considered material by the Board to be identified as a group company.

### DETAILS OF OUR GROUP COMPANY

#### 1. Sukruti Infratech Private Limited (SIPL)

##### *Corporate information*

SIPL was incorporated under the Companies Act, 1956 on July 08, 2010 pursuant to Certificate of Incorporation by Assistant Registrar of Companies, Ahmedabad. Its registered office is situated at 504A, OZONE, Dr. Vikram Sarabhai Marg, Vadi-wadi, Vadodara, Gujarat – 390003. Its company identification number is U45200GJ2010PTC061494.

##### *Nature of activities*

1. To carry on the business of construction and developers of houses, bungalows, row houses, farm houses, resorts and to prepare and deal in materials necessary for building and to carry on business as building contractors and to acquire Land and plots for colonization or otherwise, sell plots, construct for special economic zone and industrial park and buildings for sale and rent or both on installments or otherwise, to carry on in India or elsewhere, either alone or jointly with one or more person, government, local or other bodies, the business to construct, build, alter, acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, turn to account, furnish, level, decorate, fabricate, install, finish, repair, maintain, search, survey, examine, taste, inspect, locate, modify, own, operate, protect, promote, provide, participate, reconstruct, grout, dig, excavate, pour, renovate, remodel, rebuild, undertake, contribute, assist, and to act as civil engineer, architectural engineer, interior decorator, consultant, advisor, agent, broker, supervisor, administrator, contractor, sub-contractor, turnkey contractor and manger of all types of construction, developmental, infrastructures work in all its branches such as roads, ways, culverts, warehouses, factories, buildings, structures, drainage and sewage works, docks, harbors, irrigation works, foundation works, flyovers, airports, runways, rocks drilling, aqueduct, stadiums, hydraulic units, sanitary work, hotels, public utilities, multistoried, colonies, complexes, housing products and other works and for the purpose to acquire, handover, purchase, sell, own, cut to size, develop, distribute or otherwise to deal in all sorts of land and buildings.

##### *Board of directors*

1. Mr. Deepak Raval
2. Mr. Aniruddh Gandhi

### *Interest of our Promoters*

Our Promoter do not hold any equity shares of SIPL. Mr. Aniruddh Gandhi, natural Person behind our Corporate Promoter, holds 90.92% in SIPL.

### *Financial Information (Standalone)*

(₹ in lakhs)

Particulars	March 31		
	2018	2019	2020
Equity Share Capital	495.00	495.00	495.00
Reserves (excluding revaluation reserve) and Surplus	(16.51)	(20.56)	(19.87)
Net Worth	478.49	474.44	475.13
Income	0.00	0.00	2.99
Profit/ (Loss) after tax	1.40	(4.06)	0.70
Earnings per share	0.03	(0.08)	0.01
Net asset value per share	9.67	9.58	9.60

There are no significant qualifications or matters of emphasis notes of the auditors in relation to the aforementioned financial statements.

### **Nature and Extent of Interest of our Group Company in our Company**

#### *Interest in the promotion of our Company*

Our Group Company do not have any interest in the promotion or other interests in our Company.

#### *Interest in the property of our Company*

Our Group Company do not have any interest in the properties acquired by our Company in past three years of the date of filing the Draft Red Herring Prospectus or proposed to be acquired by our Company.

Our Company has entered into sub-leased agreement for sharing office premises with Sukruti Infratech Private Limited located at 504A, OZONE, Dr. Vikram Sarabhai Marg, Vadi-wadi, Vadodara, Vadodara, Gujarat – 390003 for the commercial purpose. For further details, please refer para titled “*Properties*” page no. 101 of this Draft Red Herring Prospectus.

#### *Interest in the business of our Company*

Except as in “*Consolidated Restated Financial Information - Note 40 (Consolidated Restated Statement of Transactions and Balances with Related Parties)*” on page no. 181, our Group Company do not have any business interest in our Company.

### **Common Pursuits amongst the Group Entities and our Company**

Our Group Company is not engaged in activities similar to that of our Company or are enabled under their respective memorandums of association, as applicable, to engage in similar activities to that of our Company.

### **Related Business Transactions within the Group Entities and significance on the financial performance of our Company**

There are no other related business transactions between the Group Entities and our Company except as disclosed in “*Financial Statements – Note 40 (Consolidated Restated Statement of Transactions with Related Parties and Balances)*” on page no. 181 of this Draft Red Herring Prospectus.

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## **Information Regarding Significant Adverse Factors Related to the Group Entities**

### *Group Companies which are sick industrial companies*

Our Group Company is not a sick company under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, as amended.

### *Group Companies under winding up/insolvency proceedings*

Our Group Companies is not under winding up/insolvency proceedings.

### *Defunct Group Companies*

During the five years preceding the date of this Draft Red Herring Prospectus, our Group Company has not remained defunct and no application has been made to the relevant registrar of companies for striking off the name of the Group Company.

### *Loss making Group Companies*

Our Group Company, Sukruti Infratech Private Limited has incurred losses in preceding three financial years. For further details of profit/loss made by the Company, please see “*Details of Group Companies*” page no. 132 of this Draft Red Herring Prospectus.

## **Litigation**

Except as mentioned in “*Outstanding Litigation and Material Developments*” on page no. 222 of this Draft Red Herring Prospectus, there are no pending litigation involving any Group Company which may have a material impact on our Company.

## **Other Confirmations**

- a. The securities of our Group Company is not listed on any Stock Exchange. Further, our Group Company has not failed to meet the listing requirements of any stock exchange in India or abroad and our Group Company has not been refused listing during last ten years on any stock exchanges in India or abroad.
- b. Our Group Company has not made any public or right issue
- c. Our Group Company has not been identified as wilful defaulter as defined under the SEBI ICDR Regulations
- d. There are no defaults in meeting any statutory/bank/institutional dues by our Group Company. No proceedings have been initiated for economic offences against our Group Company.



## OUR SUBSIDIARIES

As on the date of this Draft Red Herring Prospectus, our Company has 4 (four) Subsidiaries of which 2 (two) are direct subsidiaries and 2 (two) are step-down subsidiaries:

Subsidiaries:

1. Maximus Global FZE (Sharjah, UAE)
2. MX Africa Limited (Nairobi, Kenya)

Step-down Subsidiaries:

1. Maximus Lubricants LLC (RAK, UAE)
2. Quantum Lubricants (E.A.) Limited (Nairobi, Kenya)

### **Maximus Global FZE (Sharjah, UAE) (“MGF”)**

#### *Corporate Information*

MGF was incorporated as Maximus Global FZE on April 2, 2017 as a free zone establishment with limited liability pursuant to Emiri Decree No. (6) of 1995 of H.H. Sheikh Dr. Sultan Bin Mohammed Al-Qasimi Ruler of Sharjah and Implementation Rules and Regulations issued thereunder by Hamriyah Free Zone Authority with Registration No. 16343. Its registered office is located at P1-ELOB, Office No. E-27 F-25, Hamriyah Free Zone.

MGF is primarily engaged in the business of import/ export/ trading of lubricants and grease, petrochemicals and other chemicals.

#### *Capital Structure*

The authorised share capital of the company is AED 21,00,000 divided into 2,100 shares of AED 1000 each.

#### *Shareholding*

Our Company holds 2,100 shares aggregating to 100.00% of the equity share capital of MGZ.

### **MX Africa Limited (Nairobi, Kenya) (“MXAL”)**

#### *Corporate Information*

MXAL was incorporated as MX Africa Limited on May 11, 2018 as a private limited company under Companies Act, 2015 with No. PVT-XYUPLG2. Its registered office is located at L.R No. 1870/II/236, The Pride Rock No.6, Donyo Sabuk Avenue, Westlands, P.O. Box. 69952, Tom Mboya St, Nairobi, Kenya.

MXAL is primarily engaged in the business of marketing and distribution of various products, domestic as well as exports.

#### *Capital Structure*

The authorised share capital of the company is Kshs. 30,00,000 divided into 30,000 ordinary shares of Kshs. 100 each.

#### *Shareholding*

Our Company holds 30,000 ordinary shares of MXAL aggregating to 100.00% of the equity share capital.

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**Maximus Lubricants LLC (RAK, UAE) (MLL)***Corporate information*

MLL was incorporated as Pacific Lubricants LLC on May 30, 2017 as limited liability company in the Emirates of Ras Al Khaimah Economic Zone in United Arab Emirates. Its Head Office Address is Commercial Centre at CC01-422, Commercial Centre, Al Hamra Industrial Zone-F2, RAK, United Arab Emirates. Its license number of industrial license of Government of Ras Al Khaimah is 26000532.

Maximus Global FZE (MGF) has acquired indirect control over the operations of Maximus Lubricant LLC (MLL) and hence MLL is subsidiary of MGF, and consequently, step down subsidiary of Maximus International Limited. 51% held by nominee (sponsor) as required by local law for beneficial interest of the Company.

MLL is engaged in the business of manufacturing oil-based lubricants oil and grease.

*Capital Structure*

The authorised share capital of the company is AED 3,00,000 divided into 300 shares of AED 1,000 each.

*Shareholding*

Our Subsidiary, Maximus Global FZE has acquired indirect control over the operations of Maximus Lubricant LLC (MLL).

**Quantum Lubricants (E.A.) Limited (Nairobi, Kenya) (QLL)***Corporate information*

QLL was incorporated as Olizone (East Africa) Limited on September 13, 2011 by Registrar of Companies at Nairobi. Our Subsidiary, MX Africa Limited acquired 51% ordinary shares of QLL pursuant to agreement for sale and purchase of shares dated December 1, 2019. The registered office of the QLL is L. R. No. 1870/II/236, The Pride Rock No. 6, Donyo Sabuk Avenue, Off General Mathenge Drive, P.O. Box 69952-00400. The Company Registration Number is CPR/2011/56173.

QLL is engaged in the business of manufacturing lubricants.

*Capital Structure*

The authorised share capital of the company is Kshs. 1,00,000 divided into 100 shares of Kshs. 1,000 each.

*Shareholding*

Our Subsidiary, MX Africa Limited holds 51% shares of QLL.

**AMOUNT OF ACCUMULATED PROFITS OR LOSSES NOT ACCOUNTED FOR BY OUR COMPANY**

There are no accumulated profits or losses of any of our Subsidiaries that are not accounted for by our Company in the Consolidated Financial Statements.

**BUSINESS INTEREST OF OUR SUBSIDIARIES IN THE COMPANY**

Our Subsidiaries do not have any interest in our Company's business other than as stated in "Our Business", "History and Certain Corporate Matters" and "Financial Information", on page nos. 87, 108 and 139, respectively, of this Draft Red Herring Prospectus.

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## **COMMON PURSUITS**

Our Subsidiaries are engaged in activities similar to that of our Company or are enabled under their respective memorandums of association, as applicable, to engage in similar activities to that of our Company. Our Company formed wholly owned subsidiaries outside India namely Maximus Global FZE (Sharjah, UAE) and MX Africa Limited (Nairobi, Kenya), for the purpose of ease of doing similar business in UAE and Africa. For further details, please refer “*Risk Factors – Some of our Directors operate or control entities engaged in a similar line of business as our Company, which may lead to competition with these entities and could potentially result in a loss of business opportunity for our Company*” on page no. 30 of this Draft Red Herring Prospectus.

## **OTHER CONFIRMATIONS**

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of the securities of our Subsidiaries been refused listing by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

None of our Subsidiaries have made any public or rights issue (including any rights issue to the public) in the three years preceding the date of this Draft Red Herring Prospectus.

## **LITIGATION**

For details on the pending litigation and legal proceedings involving our material subsidiaries, please refer to the section “*Outstanding Litigation and Material Developments*” on page no. 222 of this Draft Red Herring Prospectus.

## DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board 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 declaration of any dividend will depend on a number of factors, including but not limited to our earnings, capital requirements contractual restrictions, results of operations, financial condition, cash requirements, business prospects and any other financing arrangements, applicable legal restrictions and overall financial position of the Exchange. The Board may also, from time to time, declare interim dividends from the profits of a particular Fiscal in which such interim dividend is sought to be declared.

The past trend in relation to our payment of dividends, if any, is not necessarily indicative of future trends in declaration of dividend by our Company or our Company's dividend policy, and there is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see "*Risk Factors – Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows*" on page no. 34 of this Draft Red Herring Prospectus.

Our past practices with respect to the declaration of dividends are not necessarily indicative of our future dividend declaration. For details in relation to the risk involved, see "*Risk Factors*" on page no. 19 of this Draft Red Herring Prospectus.

## SECTION VII – FINANCIAL INFORMATION

### CONSOLIDATED FINANCIAL STATEMENTS

#### INDEPENDENT AUDITOR’S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION IN CONNECTION WITH PROPOSED FURTHER PUBLIC OFFERING OF EQUITY SHARES BY MAXIMUS INTERNATIONAL LIMITED

To,  
The Board of Directors,  
**Maximus International Limited**  
504A, OZONE, Dr. Vikram Sarabhai Marg  
Vadi-wadi, Vadodara, Gujarat - 390003

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of **Maximus International Limited** (the “Company”) and its Subsidiaries (the Company and its subsidiaries together referred to as the “Group”), which comprise of Restated Consolidated Statement of Assets and Liabilities as at March 31, 2021, 2020 and 2019, Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the year ended March 31, 2021, 2020 and 2019 and the Restated Consolidated Statement of Significant Accounting Policies, and other explanatory information (collectively, the “Restated Consolidated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on August 13, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus (“DRHP”) prepared by the Company in connection with its proposed Further Public Offer of equity shares (“FPO”) prepared in terms of the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
  - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, Relevant Stock Exchanges and Registrar of Companies, Ahmedabad, Gujarat in connection with the proposed FPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2 (i) of Annexure V to the Restated Consolidated Financial Information. The respective Board of Directors’ of the companies included in the Group responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Consolidated Financial Information taking into consideration:
  - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated July 20, 2021 in connection with the proposed FPO of equity shares of the Company;
  - b. The Guidance Note which 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 Consolidated Financial Information; and

- d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the FPO.
4. These Restated Consolidated Financial Information have been compiled by the management of the Company from:
    - a) Audited Consolidated Financial Statements of the Group as at and for the year ended March 31, 2021 and March 31, 2020, prepared in accordance with the Ind AS and other accounting principles generally accepted in India, which have been approved by the Board of Directors at meeting held on May 29, 2021 and June 29, 2020 respectively.
    - b) The comparative information for the year ended March 31, 2019 included in the Consolidated Ind AS Financial statements for the year ended March 31, 2020, which has been prepared by making Ind AS adjustments to the Audited Consolidated Financial Statements of the Group as at and for the year ended March 31, 2019 prepared in accordance with the accounting standards notified under the section 133 of the Act (“Indian GAAP”) which was approved by the Board of directors at their meeting held on May 16, 2019.
  5. For the purpose of our examination, we have relied on the Auditors’ report issued by us dated May 29, 2021 and June 29, 2020 respectively on the consolidated financial statements of the Company as referred in Paragraph 4 above.
  6. We did not audit financial statements of certain subsidiaries included in the Group whose share of total assets, total revenues and net cash inflows / (outflows) included in the consolidated financial statements, for the relevant years is tabulated below:

Particulars	For the year ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Total Assets	3,674.86	3,426.89	1,179.39
Total Revenue	5,155.52	2,829.21	1,216.49
Net Cash Inflows / (Outflows)	(4.52)	40.47	46.23

These financial statement have been audited by other auditors, as set out in Appendix A and whose reports have been furnished to us by the Company’s management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors. Our opinion on the Consolidated Ind AS financial statements is not modified in respect of these matters.

7. In accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”) read with ICDR Regulations and the Guidance Note, we report that:
  - a) The Restated Consolidated Statement of Assets and Liabilities of the Company as at March 31, 2021, 2020 and 2019 examined by us, as set out in **Annexure I** to this report, have been arrived at after making adjustments and regrouping/ reclassifications as in our opinion were appropriate and more fully described in the statement of Significant Accounting Policies and the Notes to Restated Consolidated Financial Information in **Annexure V** and **Annexure VI** respectively.
  - b) The Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income) of the Company, for the year ended March 31, 2021, 2020 and 2019 examined by us, as set out in **Annexure II** to this report, have been arrived at after making adjustments and regrouping/ reclassifications as in our opinion were appropriate and more fully described in the statement of significant accounting policies and the Notes to Restated Consolidated Financial Information in **Annexure V** and **Annexure VI** respectively;

- c) The Restated Consolidated Statement of Cash Flows of the Company, for the year ended March 31, 2021, 2020 and 2019 examined by us, as set out in **Annexure III** to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in the statement of significant accounting policies and the Notes to Restated Consolidated Financial Information in **Annexure V** and **Annexure VI**; and
  - d) The Restated Consolidated Statement of Statement of Changes in Equity of the Company, for the year ended March 31, 2021, 2020 and 2019 examined by us, as set out in **Annexure IV** to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Notes to the Restated Consolidated Financial Information in **Annexure VI**.
  - e) There were no auditor qualifications and / or emphasis of matter on the Consolidated Financial Statements in the Auditors Report for the year ended March 31, 2021, 2020 and 2019.
8. We have also examined the following Restated Consolidated Financial Information of the Company set out in the Annexures prepared by the Management and approved by the Board of Directors at August 13, 2021.
    - a) Annexure V: Basis of Preparation and Significant Accounting Policies;
    - b) Annexure VI: Notes to Restated Consolidated Financial Information
  9. At the request of the Company, we have also examined the financial information ("Other Financial Information") and capitalisation ("Capitalisation Statement") proposed to be included in the Draft Red Herring Prospectus, prepared by the management and approved by the board of directors of the company and annexed to this report.
  10. This report should not in any way be construed as a reissuance or re-dating of any of the audit report issued by us, nor should this report be construed as a new opinion on any of the audited financial statements referred to herein.
  11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  12. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, Relevant Stock Exchanges and Registrar of Companies, Ahmedabad, Gujarat in connection with the proposed FPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For C N K & Associates, LLP.**

Chartered Accountants

Firm's Registration No. 101961W/W-100036

**Pareen Shah**

Partner

Membership No.125011

Date: August 13, 2021

Place: Vadodara

UDIN: 21125011AAAADM7624

Certificate No.: CNKBRD/205/2021-22

**Maximus International Limited**

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<b>Sr. No.</b>	<b>Details of Restated Consolidated Financial Information</b>	<b>Annexure Reference</b>
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## Appendix A

### List of Subsidiaries audited by other auditors

Year Ended 31 March 2021	Relation	Name of Auditor
Maximus Global FZE	Subsidiary	CNK Hussain Alsayegh Chartered Accountants
MX Africa Limited	Subsidiary	Moore JVB LLP
Maximus Lubricants LLC	Step Down Subsidiary	CNK Hussain Alsayegh Chartered Accountants
Quantum Lubricants (E.A.) Limited	Step Down Subsidiary	Moore JVB LLP

### List of Subsidiaries audited by other auditors

Year Ended 31 March 2020	Relation	Name of Auditor
Maximus Global FZE	Subsidiary	CNK Hussain Alsayegh Chartered Accountants
MX Africa Limited	Subsidiary	Moore JVB LLP
Maximus Lubricants LLC	Step Down Subsidiary	CNK Hussain Alsayegh Chartered Accountants
Quantum Lubricants (E.A.) Limited	Step Down Subsidiary	Moore JVB LLP

### List of Subsidiaries audited by other auditors

Year Ended 31 March 2019	Relation	Name of Auditor
Maximus Global FZE	Subsidiary	CNK Hussain Alsayegh Chartered Accountants
MX Africa Limited	Subsidiary	Moore JVB LLP

**Annexure I – Restated Consolidated Statement of Assets and Liabilities**

(Amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment's	1	683.51	762.62	173.35
Intangible Assets	1	1.61	-	-
Capital Work in Progress	2	49.27	29.45	-
Investment Property	3	183.97	187.08	93.07
Goodwill	4	274.15	274.15	-
Financial Assets:				
i. Investments	5	127.32	211.39	248.70
ii. Loans	6	161.91	177.43	792.86
iii. Others Financial Assets	7	4.95	-	22.42
Other Non-Current Assets	8	0.20	0.20	0.20
<b>Total Non – Current Assets</b>		<b>1,486.89</b>	<b>1,642.32</b>	<b>1,330.60</b>
<b>CURRENT ASSETS</b>				
Inventories	9	562.87	586.86	0.02
Financial assets:				
i. Trade Receivables	10	1,550.69	1,276.42	525.93
ii. Cash & Cash Equivalents	11	104.06	99.43	107.93
iii. Bank balances other than Cash and cash equivalents	12	4.80	9.30	15.94
iv. Loans	13	525.57	343.06	153.82
v. Other Financial Assets	14	90.52	21.50	13.57
Other Current Assets	15	310.74	272.83	90.87
<b>Total Current Assets</b>		<b>3,149.25</b>	<b>2,609.40</b>	<b>908.08</b>
<b>TOTAL ASSETS</b>		<b>4,636.14</b>	<b>4,251.72</b>	<b>2,238.68</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholder's Funds</b>				
Equity Share Capital	16	1,257.20	1,257.20	1,257.20
Other Equity	17	864.20	672.32	388.92
<b>Equity Attributable to shareholders of the Company</b>		<b>2,121.40</b>	<b>1,929.52</b>	<b>1,646.12</b>
Non- Controlling Interest		804.76	762.91	-
<b>Total Equity</b>		<b>2,926.16</b>	<b>2,692.43</b>	<b>1,646.12</b>
<b>Non-Current Liabilities</b>				
Financial Liabilities:				
a) Borrowings	18	58.88	65.77	30.80
b) Other Financial Liability	19	17.07	20.92	1.80
Provisions	20	27.92	20.77	1.19
Deferred Tax Liability (Net)	21	9.82	11.24	8.78
<b>Total Non-Current Liabilities</b>		<b>113.69</b>	<b>118.70</b>	<b>42.57</b>
<b>Current Liabilities</b>				

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Financial Liabilities:				
a) Borrowings	22	561.88	416.58	102.22
b) Trade Payables				
- Total outstanding dues of micro enterprises and small enterprises				
- Total outstanding dues of creditors other than micro enterprises and small enterprises	23	676.78	675.56	337.87
c) Other Financial Liabilities	24	31.20	29.50	10.55
Other Current Liabilities	25	295.86	301.70	73.19
Provisions	26	1.19	0.87	0.66
Current Tax Liabilities (Net)	27	29.37	16.38	25.50
<b>Total Current Liabilities</b>		<b>1,596.28</b>	<b>1,440.59</b>	<b>549.99</b>
<b>TOTAL LIABILITIES</b>		<b>4,636.14</b>	<b>4,251.72</b>	<b>2,238.68</b>

The accompanying notes are an integral part of the restated financial statements.

As per our report of even date.

**For C N K & Associates, LLP.**  
Chartered Accountants  
FRN: 101961W/W-100036

**For and on behalf of the Board of Directors of  
Maximus International Limited**

**Pareen Shah**  
Partner  
M. No. 125011

**Niharkumar Naik**  
(Independent Director)  
DIN: 08302107

**Deepak Raval**  
(Chairman and  
Managing Director)  
DIN: 01292764

Place: Vadodara  
Date: August 13, 2021

**Milind Joshi**  
(Chief Financial Officer)

**Dharati Shah**  
(Company Secretary)

Place: Vadodara  
Date: August 13, 2021

## Annexure II: Restated Consolidated Statement of Profit and Loss Account

(Amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>INCOME</b>				
Revenue from Operations	28	5,247.06	3,074.43	5,725.21
Other Income	28.1	64.96	125.44	125.17
<b>Total Income</b>		<b>5312.02</b>	<b>3199.87</b>	<b>5850.38</b>
<b>EXPENDITURE</b>				
Cost of Materials Consumed	29	3,403.08	2,174.80	-
Purchase of stock-in-trade	29	363.41	384.37	5,310.82
Change in Inventories to finished goods and stock - in - trade	29.1	42.74	(148.67)	(0.02)
Employee Benefit Expenses	30	431.89	168.48	41.63
Finance Costs	31	116.00	70.07	48.28
Depreciation & Amortisation	1,3	125.96	47.93	15.70
Other Expenses	32	433.80	196.09	99.20
<b>Total Expenses</b>		<b>4,916.88</b>	<b>2,893.07</b>	<b>5,515.61</b>
<b>Profit / (Loss) Before Tax</b>		<b>395.14</b>	<b>306.80</b>	<b>334.77</b>
Tax Expenses:				
- Current Tax	37	32.08	19.43	24.92
- Deferred Tax Charge/(Credit)	36	8.54	16.72	0.15
- Excess or short provision of earlier years		1.30	-	-
<b>Total Tax Expenses</b>		<b>41.92</b>	<b>36.15</b>	<b>25.07</b>
<b>Profit / (Loss) After Tax</b>		<b>353.22</b>	<b>270.65</b>	<b>309.70</b>
<b>Share of Loss from Associate</b>		-		(123.02)
<b>Profit after tax and share of loss from associate</b>		<b>353.22</b>	<b>270.65</b>	<b>186.68</b>
<b>Other Comprehensive Income</b>				
i. Items that will not be reclassified to Profit or loss or Actuarial Gain/loss on defined benefit plan		(99.08)	18.11	18.96
ii. Income tax relating to items that will not be reclassified to Profit or loss		9.97	(1.34)	(1.97)
<b>Total Comprehensive Income</b>		<b>(89.11)</b>	<b>16.77</b>	<b>16.99</b>
Items that will be reclassified to Profit or Loss				
(i) Exchange Differences in translating the financial statement of a foreign operations		(30.38)	(7.73)	31.84
<b>Total other comprehensive income</b>		<b>(119.49)</b>	<b>9.04</b>	<b>48.83</b>

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Total comprehensive income for the period</b>		<b>233.73</b>	<b>279.69</b>	<b>235.50</b>
<b>Net Profit attributable to:</b>				
Owners of the company		311.36	249.81	186.68
Non Controlling Interest		41.86	20.82	-
<b>Other Comprehensive Income attributable to:</b>				
Owners of the Company		(119.49)	9.04	48.83
Non-controlling interests		-	-	-
<b>Total Comprehensive Income attributable to:</b>				
Owners of the Company		191.87	258.87	235.50
Non-controlling interests		41.86	20.82	-
<b>Earnings Per Share (in ₹)</b>				
<b>Basic and Diluted</b>	38	<b>2.48</b>	<b>1.99</b>	<b>1.48</b>

The accompanying notes are an integral part of the restated financial statements.

As per our report of even date

For C N K & Associates, LLP.  
Chartered Accountants  
FRN: 101961W/W-100036

For and on behalf of the Board of Directors of  
Maximus International Limited

**Pareen Shah**  
Partner  
M. No. 125011

**Niharkumar Naik**  
(Independent Director)  
DIN: 08302107

**Deepak Raval**  
(Chairman and  
Managing Director)  
DIN: 01292764

Place: Vadodara  
Date: August 13, 2021

**Milind Joshi**  
(Chief Financial Officer)

**Dharati Shah**  
(Company Secretary)

Place: Vadodara  
Date: August 13, 2021

**Annexure III: Restated Consolidated Statement of Cash Flows**

(Amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash flow from operating activities:</b>			
Net Profit before tax	<b>395.14</b>	<b>306.80</b>	<b>334.77</b>
Adjusted for:			
Depreciation & Amortisation	125.96	47.93	15.70
Interest Income	(48.35)	(49.31)	(53.03)
Rent Income	(3.96)	(10.11)	(5.40)
Dividend Income	-	(0.03)	(0.03)
Loss on sale/discard of assets	-	(1.69)	-
Exchange gain on foreign currency translations(net)	(30.38)	(7.73)	31.84
Finance Cost	116.00	70.07	48.28
Interest on Income tax	-	-	0.35
<b>Operating Profit Before Working Capital Changes</b>	<b>554.41</b>	<b>355.93</b>	<b>372.49</b>
Adjusted for (Increase)/ Decrease in:			
Other financial assets	(65.82)	16.09	(12.29)
Loan	19.52	(201.76)	(144.21)
Inventories	23.99	(586.84)	(0.02)
Trade Receivables	(274.27)	(750.49)	(262.49)
Other asset	(37.92)	(181.94)	62.20
short term borrowing	145.30	314.36	(21.88)
Trade Payable	1.22	337.69	130.44
other liability	1.64	248.30	60.27
<b>Cash Generated From Operations</b>	<b>368.07</b>	<b>(448.69)</b>	<b>184.52</b>
Direct Tax Paid	20.38	28.56	31.00
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>347.69</b>	<b>(477.24)</b>	<b>153.52</b>
<b>Cash Flow From Investing Activities:</b>			
(Investment)/Proceeds from sale in Investment	(15.00)	51.36	(84.65)
Purchase of Property, plant and equipment's (Net)	(65.44)	(733.79)	(0.27)
Proceeds from sale of assets	0.27	0.31	-
Purchase of investment property (Net)	-	(5.85)	-
Goodwill on acquisition	-	(274.15)	-
Dividend income	-	0.03	0.03
Interest received	40.19	47.72	46.38
Rent received	3.96	10.11	3.85
(Increase)/ decrease in loans given	(186.51)	627.97	(59.49)
Bank deposit	4.50	6.64	7.28
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(218.03)</b>	<b>(269.65)</b>	<b>(86.88)</b>
<b>Cash Flow from Financing Activities:</b>			
(Payment)/receipt of long term borrowings	(6.40)	47.93	(8.35)
Increase/(Decrease) in Non controlling Interest	-	762.91	-
Repayment of lease liabilities	(5.40)	(5.40)	-
Finance cost	(113.24)	(67.04)	(48.28)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Cash Flow from/(used in) Financing Activities (C)	(125.04)	738.39	(56.63)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	4.63	(8.50)	10.01
Cash & Cash Equivalents as at Beginning of the Period	99.43	107.93	97.92
Cash & Cash Equivalents as at end of the Period	104.06	99.43	107.93

The accompanying notes are an integral part of the restated financial statements.

**Notes:**

1. The statement of cash flow is prepared in accordance with the format prescribed as per Ind AS 7.

As per our report of even date

**For C N K & Associates, LLP.**  
Chartered Accountants  
FRN: 101961W/W-100036

**For and on behalf of the Board of Directors of  
Maximus International Limited**

**Pareen Shah**  
Partner  
M. No. 125011

**Niharkumar Naik**  
(Independent Director)  
DIN: 08302107

**Deepak Raval**  
(Chairman and  
Managing Director)  
DIN: 01292764

Place: Vadodara  
Date: August 13, 2021

**Milind Joshi**  
(Chief Financial Officer)

**Dharati Shah**  
(Company Secretary)

Place: Vadodara  
Date: August 13, 2021

**Annexure IV: Restated Consolidated Statement of Changes in Equity**

(Amounts in ₹ lakhs, unless otherwise stated)

**a. Equity**

Particulars	March 31, 2021		March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount	Number	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid						
Balance at the beginning of the period	<b>1,25,72,000</b>	1,257.20	<b>1,25,72,000</b>	1,257.20	62,86,000	628.60
Issue of share capital (Bonus Issue)	-	-	-	-	62,86,000	628.60
<b>Balance at the end of the period</b>	<b>1,25,72,000</b>	1,257.20	<b>1,25,72,000</b>	1,257.20	<b>1,25,72,000</b>	1,257.20

**b. Other Equity**

Particulars	Reserve and Surplus				Total Equity
	Securities Premium Account	Retained Earnings	Other Comprehensive Income	Foreign currency translation reserve	
<b>As at 1st April, 2018</b>	546.02	188.32	47.01	0.02	781.37
Profit for the year	-	186.67	-	-	186.67
Other comprehensive income for the year	-	-	17.65	-	17.65
Additions/deletions during the year	-	-	-	31.84	31.84
Utilized for Issue of Bonus Equity Shares	(546.02)	(82.58)	-	-	(628.60)
Transfer to retained earnings of FVOCI equity investments, net of tax	-	0.66	(0.66)	-	-
<b>As at 31st March, 2019</b>	-	<b>293.07</b>	<b>64.00</b>	<b>31.86</b>	<b>388.93</b>
Profit for the year	-	249.84	-	-	249.84
Other comprehensive income for the year	-	-	18.11	-	18.11
Additions/deletions during the year	-	20.69	2.48	(7.73)	15.45
Transfer of (gain)/loss on FVOCI equity investments	-	3.83	(3.83)	-	-
<b>As at 31st March, 2020</b>	-	<b>567.43</b>	<b>80.76</b>	<b>24.13</b>	<b>672.33</b>
Profit for the year	-	311.36	-	-	311.36
Other comprehensive income for the year	-	-	(89.11)	-	(89.11)
Additions/deletions during the year	-	-	-	(30.38)	(30.38)
<b>As at 31st March, 2021</b>	-	<b>878.79</b>	<b>(8.35)</b>	<b>(6.25)</b>	<b>864.19</b>



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The accompanying notes are an integral part of the restated financial statements.

As per our report of even date

**For C N K & Associates, LLP.**  
Chartered Accountants  
FRN: 101961W/W-100036

**For and on behalf of the Board of Directors of  
Maximus International Limited**

**Pareen Shah**  
Partner  
M. No. 125011

**Niharkumar Naik**  
(Independent Director)  
DIN: 08302107

**Deepak Raval**  
(Chairman and  
Managing Director)  
DIN: 01292764

Place: Vadodara  
Date: August 13, 2021

**Milind Joshi**  
(Chief Financial Officer)

**Dharati Shah**  
(Company Secretary)

Place: Vadodara  
Date: August 13, 2021

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## Annexure V: Basis of Preparation and Significant Accounting Policies

### Description of the Company and significant Accounting Policies

#### 1. Company Overview

Maximus International Limited ("the Holding Company") was incorporated on 22 December 2015. The Restated Consolidated Financial Information comprise of financial statements of Maximus International Limited ("the Company" or "the Holding Company") and its subsidiaries (collectively, "the Group") for the years ended March 31, 2021, 2020 and 2019. The Group is primarily engaged in the manufacturing, importing and exporting of lubricant oils, different types of base oils and other petrochemical products used mainly in the Automobile Industry, Power Industry and Metal manufacturing among others. Further the Company have recently acquired manufacturing facilities of lubricant oils, and petro-chemical products, by way of acquisition of our step down subsidiaries. The equity shares of the Company are listed on BSE Limited. It is registered at Registrar of Companies, Ahmedabad, Gujarat. The registered address of the Company is 504A, 5th Floor, Ozone, Dr. Vikram Sarabhai Marg, Vadiwadi, Vadodara – 390003.

#### 2. Basis of preparation and presentation of Financial Statements

##### i. Compliance with Ind AS

The Restated Consolidated Financial Information of the Group comprises of the Restated Consolidated Statements of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019 and the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019, the Basis for Preparation and Significant Accounting Policies and the Statement of Notes to the Restated Consolidated Financial Information (hereinafter collectively referred to as 'Restated Consolidated Financial Information').

The Restated Consolidated Financial Information was approved by the Board of Directors of the Company in their meeting held on August 13, 2021.

The Restated Consolidated Financial Information has been prepared for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed further Public Offering of its equity shares, in accordance with the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act").
- Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ("SEBI") as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Restated Consolidated Financial Information have been compiled for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019 in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act to the extent applicable. (Hereinafter collectively referred to as "Audited Consolidated Financial Information").

The Restated Consolidated Financial Information have been compiled by the management of the Company from:

- c) Audited Consolidated Financial Information of the Group as at and for the year ended March 31, 2021 and March 31, 2020, prepared in accordance with the Ind AS and other accounting principles generally accepted in India, which have been approved by the Board of Directors at meeting held on May 29, 2021 and June 29,

2020 respectively.

- d) The comparative information for the year ended March 31, 2019 included in the Consolidated Ind AS Financial statements for the year ended March 31, 2020, which has been prepared by making Ind AS adjustments to the Audited Consolidated Financial Information of the Group as at and for the year ended March 31, 2019 prepared in accordance with the accounting standards notified under the section 133 of the Act (“Indian GAAP”) which was approved by the Board of directors at their meeting held on May 16, 2019.

There were no material adjustments for previous years in arriving at loss/profit of the respective years. Further appropriate regroupings have been made in the Restated Consolidated Financial Information of assets and liabilities, statement of profit and loss and statement of cash flow, Statement of Changes in Equity wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per The Restated Consolidated Financial Information of the Company for the period ended March 31, 2021 prepared in accordance with Schedule III of Companies Act, 2013, requirements of applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Details of the subsidiary considered in the Restated Consolidated Financial Information are as under:

Name of the company	Date of acquisition/incorporation	Country of incorporation	% of shareholding
Maximus Global FZE (“MGF”)	April 02, 2017	Sharjah, UAE	100%
MX Africa Limited (“MX Africa”)	May 11, 2018	Nairobi, Kenya	100%
Maximus Lubricants LLC (“MLL”) (Subsidiary of MGF) (Formerly known as “Pacific Lubricant LLC”)	January 01, 2020	Sharjah, UAE	100%*
Quantum Lubricants (E.A.) Limited (“QLL”) (Subsidiary of MX Africa)	December 01, 2019	Nairobi, Kenya	51%

\* Maximus Global FZE (MGF) has acquired indirect control over the operations of Maximus Lubricant LLC (MLL) and hence MLL is subsidiary of MGF, and consequently, step down subsidiary of Maximus International Limited. 51% held by nominee (sponsor) as required by local law for beneficial interest of the Company. Further as per addendum 3 to the original MoA of Maximus Lubricants LLC, dated June 14, 2020, the Maximus Global FZE will be entitled to 99% of share in profits/loss after deducting the reserve and other financial obligations from January 1, 2020. Further as per clause 3 to Article 12, upon liquidation the share of Maximus Global FZE in accumulated profits/loss, assets and liabilities stands as 99%.

#### **Principles of Restated Consolidation:**

The Restated Consolidated Financial Information of the Group have been prepared on the following basis:

1. The Financial Statements of the Company and its subsidiary have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
2. Restated Consolidated Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances except where it is not practicable to do so.

#### **ii. Historical Cost Convention**

The Restated Consolidated Financial Information have been prepared on a historical cost basis, except for the certain financial assets and liabilities that are measured at fair value;

**iii. Functional and Presentation Currency**

These Restated Consolidated Financial Information are presented in Indian Rupees, which is the Company's functional currency, and all values are rounded to the nearest lakhs, except otherwise indicated.

**Annexure V: Basis of Preparation and Significant Accounting Policies**

**iv. Composition of Restated Consolidated Financial Information**

The Restated Consolidated Financial Information are accordance with Ind AS presentation. The Restated consolidated financial statements comprise:

- Restated Consolidated Statement of Assets and Liabilities
- Restated Consolidated Statement of Profit and Loss
- Restated Consolidated Statement of Changes in Equity
- Restated Consolidated Statement of Cash Flow
- Notes to Restated Consolidated Financial Information

**3. Significant Accounting Policies and Other Explanatory Notes**

**3.1 Significant Accounting Policies**

**A. Current versus non-current classification**

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has identified twelve months as its operating cycle for the purpose of current / noncurrent classification of assets and liabilities.

**B. Property, Plant and Equipment:**

**Recognition and measurement:**

All items of property, plant and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation, and impairment loss, if any. Cost includes purchase price, including non-refundable duties and taxes, expenditure that is directly attributable to bring the assets to the location and condition necessary

for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees, and for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policies. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

#### **Annexure V: Basis of Preparation and Significant Accounting Policies**

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for, as separate items (major components) of property, plant and equipment. Any gains or losses on their disposal, determined by comparing sales proceeds with carrying amount, are recognized in the Statement of Profit or Loss.

#### **Subsequent Expenditure:**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

#### **De-Recognition:**

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from its use. Any gain or loss arising from its de-recognition is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when the asset is de-recognized.

#### **Depreciation methods, estimated useful lives and residual value:**

Depreciation on property, plant and equipment is provided using the straight-line method based on life and in the manner prescribed in Schedule II to the Companies Act, 2013. The estimated useful lives of assets are as follows:

<b>Asset</b>	<b>Useful Lives (Years)</b>
Office buildings	60 years
Furniture and fixtures	8-10 years
Office equipment	5 years
Computer equipment	3-5 years
Vehicles	8 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### **Capital Work-in-Progress:**

Plant and properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying asset, borrowing costs capitalized in accordance with the Group's accounting policies. Such plant and Properties are classified and capitalized to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the asset are ready for their intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets" and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

### **C. Investment Property :**

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property.

#### **Recognition and measurement:**

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

#### **Subsequent Expenditure:**

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

#### **De-Recognition:**

When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

### **Annexure V: Basis of Preparation and Significant Accounting Policies**

#### **Depreciation methods, estimated useful lives and residual value:**

Investment properties are depreciated using straight-line method over their estimated useful lives.

### **D. Impairment of Non-financial assets:**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be identified.

The Group's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

### **E. Inventories:**

Inventories of the Group consists of Raw Material, Packing Material, Finished Goods & Traded goods. Inventories are measured at lower of cost and net realizable value. Cost of inventories is determined on a FIFO, after providing for obsolescence and other losses as considered necessary. Cost includes expenditure incurred in acquiring the inventories, reduction and conversion costs and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The comparison of cost and net realizable value is made on an item-by-basis.

## **F. Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **Financial Assets:**

#### **Initial recognition, classification and measurement:**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss and recognized in other gains/ losses.

#### **Equity Instruments**

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognized in Statement of Profit and Loss as other income when the Company's right to receive payment is established.

### **Annexure V: Basis of Preparation and Significant Accounting Policies**

Changes in the fair value of financial assets at fair value through profit and loss are recognized in other gain/losses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized (i.e. removed from the group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) The group has transferred substantially all the risks and rewards of the asset, or
  - (b) The group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Impairment of financial assets:**

In accordance with Ind AS 109, the group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are measured at amortized cost e.g., loans, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset.

The group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on life time ECLs at each reporting date, right from its initial recognition.

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

### **Financial Liabilities:**

#### **Initial recognition and Measurement:**

The group's financial liabilities include trade and other payables, loans and borrowings. All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables recognized net of directly attributable transaction costs.

#### **Subsequent measurement:**

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

#### **Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an Integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### **Annexure V: Basis of Preparation and Significant Accounting Policies**

#### **Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

#### **Off-setting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.



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**G. Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

**H. Cash Flow**

Cash flows are reported using the Indirect Method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**I. Cash dividend:**

The group recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

**J. Foreign Currency Translation:****Initial Recognition:**

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

**Conversion:**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**K. Business combinations and goodwill**

The excess of cost to the group of its investments in subsidiary / associates companies over its share of the equity of the subsidiary / associates companies at the dates on which the investments in the subsidiary / associates companies are made, is recognized as 'Goodwill' being an asset in the Restated Consolidated Financial Information. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary / associates companies as on the date of investment is in excess of cost of investment of the group, it is recognized as 'Capital Reserve' and shown under the head 'Other equity', in the Restated Consolidated Financial Information.

**L. Revenue Recognition:**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. The group assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

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## **Annexure V: Basis of Preparation and Significant Accounting Policies**

### **Sale of Traded Goods:**

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer.

The group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the group considers the effects of variable consideration, the existence of significant financing component and consideration payable to the customer like return and trade discounts.

### **M. Other Income:**

#### **Interest income:**

Interest income from the financial assets is recognized on a time basis, by reference to the principle outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the group and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

#### **Dividends:**

Dividend income is recognized when the unconditional right to receive the income is established.

#### **Export Benefits:**

The benefits accrued under the duty drawback scheme as per the Import and Export Policy in respect of exports made under the said scheme has been included under the head 'Other Income'.

Other income is accounted for an accrual basis for except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

### **N. Employee benefits:**

Employee benefits includes short term employee benefits, contribution to defined contribution schemes, contribution to defined benefit plan and Compensated absences.

#### **Short-term Employee Benefits:**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Appropriate provisions and payments are made towards defined contribution schemes, defined benefit plans, and compensated absences, in accordance with the respective country's law and regulation and employment contract.

### **O. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**P. Income taxes :**

The tax expense comprises of current income tax and deferred tax.

**Current income tax:**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are

**Annexure V: Basis of Preparation and Significant Accounting Policies**

Those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax:**

Deferred tax is provided using the liability approach temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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## **Q. Provisions and Contingent liabilities and contingent assets :**

### **a) Provisions:**

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

### **b) Contingent Liabilities and Contingent assets:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle.

## **Annexure V: Basis of Preparation and Significant Accounting Policies**

the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in The Restated Consolidated Financial Information.

A contingent assets is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in The Restated Consolidated Financial Information.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

## **R. Earnings per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## **S. Group as a lessee**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **Group a lessee**

#### **Lease Liability**

At the commencement date, the group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

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**Right-of-use assets**

Initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

**Subsequent measurement****Lease Liability**

Group measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

**Right-of-use assets**

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

**Impairment**

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

**Short term Lease:**

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

**Annexure V: Basis of Preparation and Significant Accounting Policies****Group as a lessor**

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The lease income from operating leases is recognized on either a straight-line basis over the lease term or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

**T. Segment reporting:**

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, evaluates the group's performance and allocates the resources based on an analysis of various performance. The analysis of geographical segments is based on the geographical location of the customers wherever required.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

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**Segment Policies:**

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting The Restated Consolidated Financial Information of the group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

**3.2 Use of Judgments, Estimates And Assumptions:**

The preparation of the group's Consolidated Financial Information requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when The Restated Consolidated Financial Information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

**a. Determination of the estimated useful life of tangible assets**

Useful; life of tangible assets is based on the life prescribed in schedule II of the companies act, 2013. In cases, where the useful life are different from that prescribed in schedule II, they are based on technical advice, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

**b. Taxes:**

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

**c. Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financials instruments.

**d. Impairment of financial assets:**

The group assesses impairment based on expected credit losses (ECL) model on trade receivables. The group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is

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**Annexure V: Basis of Preparation and Significant Accounting Policies**

based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

**e. Impairment of non-financial assets:**

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

**f. Other Provisions:**

Significant estimates are involved in the determination of provisions. Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated.

**Annexure VI: Statement of Notes to the Restated Consolidated Financial Information**

(Amounts in ₹ lakhs, unless otherwise stated)

**1. Property, Plant & Equipment**

Particulars	Building	Plant & Machinery	Furniture & Fixture	Computer Equipment	Vehicle	Office Equipment	Right to use Building #	Total
<b>Gross carrying amount:</b>								
Deemed Cost as at 01-04-2018	187.33	-	32.82	0.10	58.14	1.47	-	279.86
Additions	-	-	2.00	0.11	0.16	-	-	2.27
Disposals	-	-	-	-	-	-	-	-
Deletion as a result of Regrouping*	94.62	-	-	-	-	-	-	94.62
<b>Gross carrying amount As at 31-03-2019</b>	<b>92.71</b>	<b>-</b>	<b>34.82</b>	<b>0.21</b>	<b>58.31</b>	<b>1.47</b>	<b>-</b>	<b>187.51</b>
Addition on account of acquisition	-	824.85	47.21	13.65	109.44	9.17	-	1,004.32
Additions	-	0.79	4.33	0.52	33.79	2.25	27.49	69.16
Disposals	-	-	2.58	-	5.66	0.67	-	8.91
Deletion as a result of Regrouping*	92.71	-	-	-	-	-	-	92.71
<b>Gross carrying amount As at 31-03-2020</b>	<b>-</b>	<b>825.64</b>	<b>83.77</b>	<b>14.37</b>	<b>195.88</b>	<b>12.22</b>	<b>27.49</b>	<b>1,159.37</b>
Additions	-	37.43	2.23	-	3.67	0.54	-	43.87
Disposals	-	-	-	-	-	0.54	-	0.54
<b>Gross carrying amount As at 31-03-2021</b>	<b>-</b>	<b>863.08</b>	<b>86.00</b>	<b>14.37</b>	<b>199.56</b>	<b>12.22</b>	<b>27.49</b>	<b>1,202.71</b>
<b>Accumulated Depreciation:</b>								
Charge for the year	1.47	-	4.46	0.02	7.32	0.89	-	14.16
Other Adjustments	-	-	-	-	-	-	-	-
Closing accumulated depreciation As at 31-03-2019	1.47	-	4.46	0.02	7.32	0.89	-	14.16
Other adjustment on	-	257.23	25.07	13.67	48.17	2.62	-	346.76



Particulars	Building	Plant & Machinery	Furniture & Fixture	Computer Equipment	Vehicle	Office Equipment	Right to use Building #	Total
account of acquisition								
Charge for the year	-	19.78	7.58	0.38	11.44	1.21	4.46	44.84
Other Adjustments*	1.47	-	1.50	-	5.66	0.38	-	9.00
<b>Closing accumulated depreciation As at 31-03-2020</b>	<b>-</b>	<b>277.00</b>	<b>35.62</b>	<b>14.07</b>	<b>61.27</b>	<b>4.34</b>	<b>4.46</b>	<b>396.75</b>
Charge for the year	-	74.70	15.97	0.13	25.15	2.30	4.46	122.71
Other Adjustments*	-	-	-	-	-	0.26	-	0.26
<b>Closing accumulated depreciation As at 31-03-2021</b>	<b>-</b>	<b>351.70</b>	<b>51.59</b>	<b>14.19</b>	<b>86.42</b>	<b>6.38</b>	<b>8.92</b>	<b>519.20</b>

<b>Net carrying amount:</b>								
As at 31-03-2019	91.24	-	30.35	0.18	50.99	0.59	-	<b>173.35</b>
As at 31-03-2020	-	548.64	48.15	0.31	134.61	7.88	23.03	<b>762.62</b>
As at 31-03-2021	-	511.37	34.41	0.18	113.14	5.84	18.57	<b>683.51</b>

## 1. Intangible Asset

Particulars	As March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening balance	-	-	-
Additions during the year	1.77	-	-
Amortization during the year	(0.15)	-	-
Closing balance	<b>1.61</b>	-	-

### Notes:

\*During FY 18-19 and FY 19-20, group has rented out its office premises. The said office premises has been regrouped and classified as Investment property (As per Indian Accounting Standard -40, Investment Properties) as it is not intended to be occupied substantially for use by, or in the operations, of the group. The said property is accounted in accordance with Cost model prescribed in Indian Accounting Standard 16- Property, Plant and Equipment.

# Refer Note No. 41 (a) (i)

## 2. Capital work-in-progress

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Capital Work in Progress	49.27	29.45	-

## Annexure VI: Statement of Notes to the Restated Consolidated Financial Information

(Amounts in ₹ lakhs, unless otherwise stated)

### 3. Investment Property

Particulars	Building	Total
<b>Gross carrying amount:</b>		
<b>Deemed cost As at 01-04-2018</b>	-	-
Additions	-	-
Disposals	-	-
Addition as a result of Regrouping*	94.62	94.62
<b>Gross carrying amount As at 31-03-2019</b>	<b>94.62</b>	<b>94.62</b>
Addition as a result of Regrouping*	92.71	92.71
Additions	5.85	5.85
<b>Gross carrying amount As at 31-03-2020</b>	<b>193.18</b>	<b>193.18</b>
Additions	-	-
<b>Gross carrying amount As at 31-03-2021</b>	<b>193.18</b>	<b>193.18</b>
<b>Accumulated Depreciation:</b>		
<b>Closing accumulated depreciation As at 31-03-2018</b>	-	-
Charge for the year	1.55	1.55
<b>Closing accumulated depreciation As at 31-03-2019</b>	<b>1.55</b>	<b>1.55</b>
Other Adjustments*	1.47	1.47
Charge for the year	3.09	3.09
<b>Closing accumulated depreciation As at 31-03-2020</b>	<b>6.10</b>	<b>6.10</b>
Charge for the year	3.10	3.10
<b>Closing accumulated depreciation As at 31-03-2021</b>	<b>9.21</b>	<b>9.21</b>
<b>Net carrying amount:</b>		
As at 31-03-2019	<b>93.07</b>	<b>93.07</b>
As at 31-03-2020	<b>187.08</b>	<b>187.08</b>
As at 31-03-2021	<b>183.97</b>	<b>183.97</b>

**Note:**\*During FY 18-19 and FY 19-20, company has rented out its office premises. The said office premises has been regrouped and classified as Investment property (As per Indian Accounting Standard -40, Investment Properties) as it is not intended to be occupied substantially for use by, or in the operations, of the company. The said property is accounted in accordance with Cost model prescribed in Indian Accounting Standard 16- Property, Plant and Equipment.

# Refer Note No. 41 (b) (i)

### 4. Goodwill

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Goodwill on acquisition of subsidiaries	274.15	274.15	-
<b>Total</b>	<b>274.15</b>	<b>274.15</b>	-

## Annexure VI: Statement of Notes to the Restated Consolidated Financial Information

(Amounts in ₹ lakhs, unless otherwise stated)

### 5. Investment

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Investments at fair value through other comprehensive income</b>			
<b>Investment in Equity Instruments (Quoted)</b>			
Alok Industries Limited (2018-19 Units:50,000)	-	-	2.23
Vaksons Automobiles Limited (2018-19 Units: 2,00,000)	-	-	41.80
Diksat Transworld Limited (2020-21 Units: 1,83,000, 2019-20 Units:1,68,000,2018-19 Units: 1,75,500)	125.63	210.00	193.40
Grauer & Weil (India) Limited (2020-21 Units: 3,000 , 2019-20 Units: 3,000, 2018-19 Units: 3000)	1.18	1.02	1.48
Innovative Tyres & Tubes Limited (2020-21 Units: 6,000 , 2019-20 Units: 6,000, 2018-19 Units 6000)	0.51	0.38	1.49
<b>Total</b>	<b>127.32</b>	<b>211.39</b>	<b>240.39</b>
<b>Investment in Associates</b>			
Maximus Lubricants LLC(Earlier known as Pacific Lubricants LLC)	-	-	131.34
Share in profit(loss) from Associate	-	-	(123.02)
<b>Total</b>	<b>127.32</b>	<b>211.39</b>	<b>248.70</b>

### 6. Financial assets- Loan and Advances

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Unsecured, considered good</b>			
Security Deposits	151.91	155.99	1.68
Loan to related party	-	0.91	791.18
Expense paid in advance	10.00	20.54	-
<b>Total</b>	<b>161.91</b>	<b>177.43</b>	<b>792.86</b>

### 7. Other Financial Asset

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Bank deposit with original maturity of more than 12 months *	4.95	-	22.42
<b>Total</b>	<b>4.95</b>	<b>-</b>	<b>22.42</b>

\* Fixed deposit are with Bankers held as margin money deposit against Non fund based facilities.

**Annexure VI: Statement of Notes to the Restated Consolidated Financial Information**

(Amounts in ₹ lakhs, unless otherwise stated)

**8. Other Non- Current Assets**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance with Government Authority	0.20	0.20	0.20
<b>Total</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>

**9. Inventories**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b><u>Inventories (lower of cost and net realized value)</u></b>			
Raw material and Packing Material	396.47	348.46	-
Finished goods and Stock in Trade	166.40	238.40	0.02
<b>Total</b>	<b>562.87</b>	<b>586.86</b>	<b>0.02</b>

**10. Financial Assets- Trade Receivables**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Trade Receivables considered good – Unsecured	1,550.69	1,276.42	525.93
<b>Total</b>	<b>1,550.69</b>	<b>1,276.42</b>	<b>525.93</b>

**11. Financial Asset- Cash & Cash Equivalent**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Balances with banks			
In current accounts	92.35	95.29	98.75
Cash on Hand	11.71	4.15	9.18
<b>Total</b>	<b>104.06</b>	<b>99.43</b>	<b>107.93</b>

**12. Bank balances other than cash and cash equivalents**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Term deposits with original maturity for more than 3 months but less than 12 months*	4.80	9.30	15.94
<b>Total</b>	<b>4.80</b>	<b>9.30</b>	<b>15.94</b>

**Note:** \* Fixed deposit are with Bankers held as margin money deposit against Non fund based facilities.

**Annexure VI: Statement of Notes to the Restated Consolidated Financial Information**

(Amounts in ₹ lakhs, unless otherwise stated)

**13. Loans(Including Advances and Deposits)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Security Deposits	25.52	30.43	3.51
Inter Corporate Deposits	500.05	312.63	150.31
<b>Total</b>	<b>525.57</b>	<b>343.06</b>	<b>153.82</b>

**14. Other Financial Assets**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest accrued on deposits	19.20	11.04	9.45
Other Receivables	71.32	10.45	4.12
<b>Total</b>	<b>90.52</b>	<b>21.50</b>	<b>13.57</b>

**15. Other Current Asset**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Unsecured considered good</b>			
Advance to suppliers	240.38	203.37	73.14
Advance to employees	1.03	1.18	0.20
Expense paid in advance	41.03	50.18	0.86
Balances with government authorities	-		
- GST Authorities	27.01	17.87	15.58
Duty Drawback receivable	1.29	0.23	1.09
<b>Total</b>	<b>310.74</b>	<b>272.83</b>	<b>90.87</b>

**16. Equity Share Capital**
**a. Authorized and Issued Equity Share Capital**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Authorized</b>			
Equity Shares of ₹ 10 each	1300.00	1300.00	1300.00
<b>Issued, Subscribed &amp; Paid up</b>			
Equity Shares of ₹ 10 each	1257.20	1257.20	1257.20

**b. Terms & Rights attached to each class of shares;**

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of the liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Shares allotted as fully paid-up (during 5 years preceding to March 31, 2021)**

In the Financial Year 2018-19, the company has allotted 62.86 lakhs equity shares as fully paid-up bonus shares in the ratio of 1:1 (i.e one Bonus shares for every share held) by capitalization of Security Premium account and Free reserves of ₹ 628.60 lakhs.

**Annexure VI: Statement of Notes to the Restated Consolidated Financial Information**

(Amounts in ₹ lakhs, unless otherwise stated)

a. Details of Shareholder(s) holding more than 5% shares are as follows:

Name	For the year ended March 31, 2021		For the year ended March 31, 2020		For the year ended March 31, 2019	
	Number of shares held	%	Number of shares held	%	Number of shares held	%
Optimus Finance Limited	79,99,988	63.63%	79,99,988	63.63%	79,99,988	63.63%

**17. Other Equity**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Securities Premium	-	-	-
Retained Earnings	878.80	567.43	293.07
Equity Instruments through Other Comprehensive Income	(8.35)	80.76	64.00
Foreign currency translation reserve	(6.25)	24.13	31.86
<b>Total</b>	<b>864.20</b>	<b>672.32</b>	<b>388.92</b>

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Securities Premium</b>			
As per last Balance Sheet	-	-	546.02
Utilized for Issue of Bonus Equity Shares	-	-	(546.02)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity Instruments through Other Comprehensive Income</b>			
As per last Balance Sheet	80.76	64.00	47.01
Additions during the year	-	20.59	17.65
Deduction	(89.11)	-	-
Transfer of (gain)/loss on FVOCI equity investments	-	(3.83)	(0.66)
<b>Total</b>	<b>(8.35)</b>	<b>80.76</b>	<b>64.00</b>
<b>Foreign currency translation reserve</b>			
As per last Balance Sheet	24.13	31.86	0.02
Add: Additions during the year	(30.38)	(7.73)	31.84
<b>Total</b>	<b>(6.25)</b>	<b>24.13</b>	<b>31.86</b>
<b>Retained Earnings</b>			
As per last Balance Sheet	567.43	293.07	188.32

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(Loss) for the year as per Statement of Profit and Loss	311.37	249.84	186.67
Additions/deletion during the year on account of acquisition	-	20.69	-
Profit utilized for Issue of Bonus Equity Shares	-	-	(82.58)
Transfer to retained earnings of FVOCI equity investments, net of tax	-	3.83	0.66
<b>Total</b>	<b>878.80</b>	<b>567.43</b>	<b>293.07</b>

#### Annexure VI: Statement of Notes to the Restated Consolidated Financial Information

(Amounts in ₹ lakhs, unless otherwise stated)

#### 18. Financial Liabilities- Borrowings

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Secured - at amortized cost</b>			
From Banks			
- Term Loan & Vehicle & assets	49.14	65.77	30.80
Loans from holding company	9.74	-	-
<b>Total</b>	<b>58.88</b>	<b>65.77</b>	<b>30.80</b>

For further details with respect to borrowings, kindly see “Schedule – I - Financial Indebtedness” forming part of this Restated Consolidated Financial Information.

#### 19. Other Financial liability

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Lease Liability (Refer Note No. 41 (a) (i))	17.07	19.12	-
Security Deposits	-	1.80	1.80
<b>Total</b>	<b>17.07</b>	<b>20.92</b>	<b>1.80</b>

#### 20. Provisions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Provision for employee benefits</b>			
Provision for service benefit	27.92	20.77	1.19
<b>Total</b>	<b>27.92</b>	<b>20.77</b>	<b>1.19</b>

#### 21. Deferred Tax Liability

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(a) Deferred tax liabilities</b>			
Related to Property Plant and Equipment's	12.15	13.68	2.44

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Financial Asset at Fair Value Through other comprehensive income	-	7.94	6.60
<b>(b) Deferred tax assets</b>			
Pre-incorporation expenses	-	0.08	0.09
Financial Asset at Fair Value Through other comprehensive income	2.02	-	-
Unabsorbed losses	-	10.10	-
Disallowance under sec 43B	0.30	0.20	0.17
<b>Total</b>	<b>9.82</b>	<b>11.24</b>	<b>8.78</b>

#### Annexure VI: Statement of Notes to the Restated Consolidated Financial Information

(Amounts in ₹ lakhs, unless otherwise stated)

#### 22. Borrowings

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Loan repayable on demand (Secured)			
-Bill Discounting	491.31	344.75	-
-Cash Credit Facilities	57.99	51.32	102.22
-Overdraft Facility	12.58	20.51	-
<b>Total</b>	<b>561.88</b>	<b>416.58</b>	<b>102.22</b>

For further details with respect to borrowings, kindly see “Schedule – I - Financial Indebtedness” forming part of this Restated Consolidated Financial Information.

#### 23. Trade Payables

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues other than micro enterprises and small enterprises	676.78	675.56	337.87
<b>Total</b>	<b>676.78</b>	<b>675.56</b>	<b>337.87</b>

#### 24. Other Financial Liabilities

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Current maturities of long -term debts	25.80	23.51	10.55
Lease Liability (Refer Note No. 41 (a) (i))	5.40	5.99	-
<b>Total</b>	<b>31.20</b>	<b>29.50</b>	<b>10.55</b>



**Annexure VI: Statement of Notes to the Restated Consolidated Financial Information**

(Amounts in ₹ lakhs, unless otherwise stated)

**25. Other Current Liabilities**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Advance's from Customers	253.71	250.60	67.54
Amounts due to related party	-	6.80	-
Statutory dues payable	0.66	2.54	0.69
Salary and wages payable	2.35	2.79	2.46
Other payable	39.15	38.97	2.50
<b>Total</b>	<b>295.86</b>	<b>301.70</b>	<b>73.19</b>

**26. Provisions**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Provision for employee benefits</b>			
Provision for Bonus payable	1.19	0.87	0.66
<b>Total</b>	<b>1.19</b>	<b>0.87</b>	<b>0.66</b>

**27. Current Tax Liabilities**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Provision for Tax (Net of Advance Tax)	29.37	16.38	25.50
<b>Total</b>	<b>29.37</b>	<b>16.38</b>	<b>25.50</b>

**28. Revenue from Operations**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Sale of Products</b>			
Lubricants, Base oils and Other petrochemical products	5,247.06	3,074.43	5,725.21
<b>Total</b>	<b>5,247.06</b>	<b>3,074.43</b>	<b>5,725.21</b>

**28.1 Other Income**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income (refer 28.2)	48.35	49.31	53.03
Income from operating leases (refer Note No. 41 (b)(i))	3.96	10.11	5.40
Exchange gain on foreign currency translations(net)	-	43.66	24.46
Freight	7.57	11.98	34.36
Sales Commission	-	5.13	-
Duty Drawback Income	1.69	1.92	3.09
Dividend Income	-	0.03	0.03

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Gain/(loss) on disposal of assets	-	1.69	-
Other Income	3.39	1.61	4.81
<b>Total</b>	<b>64.96</b>	<b>125.44</b>	<b>125.17</b>

## 28.2 Interest income comprises:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Interest income comprises:</b>			
Interest on Fixed deposits with Banks	0.42	0.36	3.20
Interest on Inter- Corporate deposits	47.94	48.95	49.83
<b>Total</b>	<b>48.35</b>	<b>49.31</b>	<b>53.03</b>

## 29. Cost of Raw Material Consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(A) Cost of Material Consumed (Raw and Packing Material)</b>			
Opening Stock *	348.46	441.73	-
Add: Purchases during the year	3421.82	2081.54	-
Less: Closing Stock	396.46	348.46	-
<b>Total</b>	<b>3373.82</b>	<b>2174.80</b>	<b>-</b>
<b>(B) Purchase of Stock-In-Trade</b>			
Lubricants Base oils and Other petrochemical products	363.41	384.37	5,310.82
<b>Total</b>	<b>363.41</b>	<b>384.37</b>	<b>5,310.82</b>

\*Opening stock of materials consumed for FY 19-20 will not match closing stock of FY 18-19 due to acquisition of two Step Down Subsidiaries.

## 29.1 Changes in inventories to finished goods and stock - in – trade

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Inventories at the end of the year:</b>			
Finished Goods	166.40	238.40	0.02
<b>Inventories at the beginning of the year:</b>			
Finished Goods *	238.40	89.73	-
<b>Net (increase) / decrease</b>	<b>72.00</b>	<b>(148.67)</b>	<b>(0.02)</b>

\*Opening stock of materials consumed for FY 19-20 will not match closing stock of FY 18-19 due to acquisition of two Step Down Subsidiaries.

### 30. Employee Benefit Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, Wages and Bonus	422.51	164.22	41.63
Staff welfare expense	9.38	4.25	-
<b>Total</b>	<b>431.89</b>	<b>168.48</b>	<b>41.63</b>

### 31. Finance Cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Cost:			
Interest on borrowings	17.32	21.87	15.13
Interest on Lease Liabilities (Refer Note No. 41(a)(i))	2.76	3.02	-
Others	95.92	45.17	33.15
<b>Total</b>	<b>116.00</b>	<b>70.07</b>	<b>48.28</b>

### 32. Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement Expenses	34.15	10.72	0.48
Interest on Income tax	2.53	-	-
Power and Fuel	3.55	1.69	0.64
Repairs & Maintenance expenses	22.73	5.23	0.87
Office Rent	48.29	17.78	5.40
License Fees	8.69	6.25	-
Legal and Professional Fees	90.13	38.21	31.93
Auditor's Remuneration (refer below note)	12.25	8.47	6.06
Traveling Expenses	21.64	16.62	6.48
Insurance Expenses	10.11	5.11	1.50
Exchange Loss on foreign currency Translations(net)	29.50	-	-
Freight and forwarding charges	21.16	22.73	21.00
Donation	0.23	2.87	0.30
Rates and Taxes	0.53	1.34	0.80
Telephone Expense	14.16	8.90	-
Selling and distribution expense	56.75	22.43	-
Miscellaneous Expense	57.40	27.75	23.72
<b>Total</b>	<b>433.80</b>	<b>196.09</b>	<b>99.20</b>

#### 32.1 Payment to Auditors of Maximus International Limited

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Payments to the auditors comprises:			
Statutory audit including Limited Review Fees	0.80	0.80	0.80
Tax audit	0.13	0.13	0.13
Tax Matters	-	0.13	0.13

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Certification Fees	0.29	0.10	0.23
<b>Total</b>	<b>1.22</b>	<b>1.16</b>	<b>1.29</b>

### 32.2 Payment to Auditors of Foreign Group companies

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Payments to the auditors comprises:			
Statutory audit including Limited Review Fees	9.89	7.16	2.83
Tax Professional Fees	1.14	0.15	1.94
<b>Total</b>	<b>11.03</b>	<b>7.31</b>	<b>4.77</b>

### 33. Contingent Liabilities and Capital Commitments

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Contingent Liabilities :</b>			
Bank Guarantee	-	-	0.95
<b>Capital Commitments:</b>			
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-
Advances paid for the same	-	-	-

### 34. Managerial Remuneration

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Executive Directors Remuneration</b>			
Salary and allowances	-	-	-
<b>Non-executive Directors Remuneration</b>			
Sitting Fees	0.33	0.39	0.27

**Note:** Remuneration to directors have been paid through Parent company -Optimus Finance Limited.

### Annexure VI: Statement of Notes to the Restated Consolidated Financial Information

(Amounts in ₹ lakhs, unless otherwise stated)

### 35. Information Regarding Foreign Exchange earnings

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Import in Foreign Exchange	1731.55	482.07	648.19
Export in Foreign Exchange	1258.23	1176.44	1,270.76

### 36. Deferred Tax Assets & Liabilities

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(a) Deferred tax liabilities</b>			
Related to Property Plant and Equipment's	1.54	-2.50	0.13
<b>(b) Deferred tax assets</b>			
Unabsorbed losses	-10.10	-19.24	-
Pre-incorporation expenses	-0.08	-0.01	-0.09
Disallowance under sec 43B	0.10	0.03	0.05
<b>During the year</b>	<b>8.54</b>	<b>16.72</b>	<b>0.15</b>

### 37. Taxes Reconciliation

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(a) Income tax expense</b>			
Current tax			
Current tax on profits for the year	32.08	19.43	24.92
Excess or short provision of earlier years	1.30	-	-
Deferred tax (Refer Note No. 36)	8.54	16.72	0.16
<b>Total</b>	<b>41.92</b>	<b>36.15</b>	<b>25.08</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate</b>			
Profit before income tax expense	395.13	306.80	334.77
<b>Indian tax rate</b>	<b>22.88%</b>	<b>22.88%</b>	<b>26.00%</b>
<b>Tax at the Indian tax rate</b>	<b>90.41</b>	<b>70.20</b>	<b>87.04</b>
<b>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:</b>			
Income considered separately	1.15	0.36	0.18
Non-deductible tax expenses (Disallowances u/s 14A, 43B, Capital Expenditure etc.)	(1.03)	0.77	-
Non-Taxable subsidiaries and effect of Differential tax rate under various jurisdiction	(54.23)	(33.95)	(61.69)
Depreciation	3.45	(0.55)	(0.49)
Others	2.18	(0.67)	0.03
<b>Income Tax Expense</b>	<b>41.92</b>	<b>36.15</b>	<b>25.08</b>

## Annexure VI: Statement of Notes to the Restated Consolidated Financial Information

(Amounts in ₹ lakhs, unless otherwise stated)

### 38. Earnings Per Share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to equity holders of the group for basic and diluted earnings per share	311.36	249.84	186.67
Total Weighted No's of Equity shares outstanding during the year	1,25,72,000	1,25,72,000	1,25,72,000
Par value per share (Rs.)	10.00	10.00	10.00
<b>Basic/Diluted earnings per share</b>	<b>2.48</b>	<b>1.99</b>	<b>1.48</b>

**Note:** Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the group by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the group by the weighted average number of Equity shares outstanding during the year.

### 39. Segment Information

Identification of Segments

#### (a) Primary Segment – Business Segment

The Group's operations predominantly comprise of only one segment i.e. "Manufacturing and trading of Lubricants, Base oil and other petro chemical products". In view of the same, separate segmental information is not required to be disclosed as per the requirements of Indian Accounting Standard 108.

#### (b) Secondary Segment – Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

Information pertaining to Secondary Segment

#### (i) Gross revenue as per geographical locations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Within India	-	40.54	3,813.37
Outside India	5,247.06	3,033.89	1,911.84
<b>Total</b>	<b>5,247.06</b>	<b>3,074.43</b>	<b>5,725.21</b>

**(ii) Carrying value of segment assets**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Within India	934.59	811.10	895.72
Outside India	3,701.55	3,440.62	1,342.96
<b>Total</b>	<b>4,636.14</b>	<b>4,251.72</b>	<b>2,238.68</b>

**Annexure VI: Statement of Notes to the Restated Consolidated Financial Information**

(Amounts in ₹ lakhs, unless otherwise stated)

**(iii) Property Plant & Equipment by Geographical Locations**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Within India	108.26	130.90	173.35
Outside India	575.25	631.72	-
<b>Total</b>	<b>683.51</b>	<b>762.62</b>	<b>173.35</b>

**40. Related party disclosures as required under Indian Accounting Standard 24**

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company’s Directors and Promoter are considered as Key Management Personnel.

**(i) List of Holding companies**

Relationship	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Ultimate Holding Company	Sukruti Infratech Private Limited	Sukruti Infratech Private Limited	Sukruti Infratech Private Limited
Holding Company	Optimus Finance Limited	Optimus Finance Limited	Optimus Finance Limited

**(ii) Key Managerial Personnel**

For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Deepak Raval	Deepak Raval	Deepak Raval
Paresh Thakkar	Paresh Thakkar	Paresh Thakkar
Dharati Shah	Dharati Shah	Dharati Shah

**(iii) Associate Enterprise**

For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
-	-	Maximus Lubricants LLC (Earlier known as Pacific Lubricants LLC)

**(i) Particulars of transactions with related parties**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Salary Expense			

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
-Dharati Shah	3.60	3.36	2.72
<b>Interest Income</b>			
- Maximus Lubricants LLC(Earlier known as Pacific Lubricants LLC)	-	-	38.38
<b>Interest expense</b>			
-Optimus Finance Limited	0.37	0.24	-
-Sukruti Infratech Private Limited	-	5.84	-
<b>Rent Income</b>			
-Optimus Finance Limited	1.20	1.20	1.20
-Sukruti Infratech Private Limited	0.12	0.12	0.12
<b>Purchase Of Goods</b>			
- Maximus Lubricants LLC(Earlier known as Pacific Lubricants LLC)	-	-	37.62
<b>Sale of Goods</b>			
- Maximus Lubricants LLC(Earlier known as Pacific Lubricants LLC)	-	-	65.87
<b>Bonus shares issued to Holding company (face value ₹ 10 each/-)</b>			
-Optimus Finance Limited	-	-	370.00

(ii) Related Party Balances

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Receivables</b>			
- Maximus Lubricants LLC(Earlier known as Pacific Lubricants LLC)	-	-	19.64
<b>Loan to Associates</b>			
- Maximus Lubricants LLC (Earlier known as Pacific Lubricants LLC)	-	-	791.18
<b>Interest on Loan to Associates</b>			
- Maximus Lubricants LLC (Earlier known as Pacific Lubricants LLC)	-	-	87.53
<b>Rent receivable</b>			
-Optimus Finance Limited	0.30	1.20	2.90
-Sukruti Infratech Private Limited	0.09	0.12	0.29
<b>Loan payable</b>			
-Optimus Finance Limited	9.74	0.05	-
-Sukruti Infratech Private Limited	-	0.28	-



Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Salary Payable</b>			
-Dharati Shah	0.30	0.30	0.24

#### Related Party disclosures as required under Indian Accounting Standard 24

On consolidation, following transactions and balances with the subsidiary and step subsidiary companies namely (1) Maximus Global FZE,(MGF) (2) MX Africa Limited, (3) Maximus Lubricants LLC (MLL) (Subsidiary of Maximus Global FZE) (Formerly known as "Pacific Lubricant LLC) and (4) Quantum Lubricants (E.A.) Limited(QLL) (Subsidiary of MX Africa) have been eliminated:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>1) Purchase &amp; Sales</b>			
MIL with MLL	62.93	1.82	-
MIL with QLL	273.91	112.16	-
MGF with QLL	30.86	85.73	-
<b>2) Interest Income &amp; Expenses</b>			
MIL with MGF	30.05	32.37	32.49
<b>3) Loan Given and Taken (NON-CURRENT)</b>			
MIL with MGF	251.15	424.69	453.32
MGF with MX Africa	67.03	9.35	-
MIL with MX Africa	0.89	0.35	-
<b>4)Trade Receivable &amp; Payables</b>			
MIL with QLL	-	0.80	-
MGF with QLL	-	6.70	-
<b>5) Investment in subsidiary</b>			
MIL with MGF	-	0	354.37
MIL with MX Africa	-	14.27	7.18

#### 41. Leases

##### (a) Finance Leases

##### (i) As Lessee

#### Maturity Analysis of Lease Liabilities

Maturity Analysis - Contractual undiscounted Cash Flows	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 *
Less than one year	6.41	5.99	-
One to five years	22.32	28.73	-
More than five years	-	-	-
<b>Total Undiscounted Lease Liabilities</b>	<b>28.73</b>	<b>34.72</b>	-
<b>Lease Liabilities included in the Statement of</b>			

Maturity Analysis - Contractual undiscounted Cash Flows	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 *
<b>Financial Position</b>			
Non Current	17.07	19.12	-
Current	5.40	5.99	-
<b>Total</b>	<b>22.47</b>	<b>25.11</b>	-

#### Amount Recognized in the Statement of Profit & Loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 *
Interest on Lease Liabilities	2.76	3.02	-
Depreciation on Lease Asset	4.46	4.46	-

#### Amount Recognized in the Statement of Cash Flow

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Cash out flow for leases	5.40	5.40	5.40

#### (b) Operating Leases

As per Ind AS 116 the lease is classified as an operating lease by the lessor if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

#### Annexure VI: Statement of Notes to the Restated Consolidated Financial Information

(Amounts in ₹ lakhs, unless otherwise stated)

#### (i) Company as a Lessor

The Company has given office premise under operating lease. These are renewable by mutual consent on mutually agreed terms. Future minimum rentals receivable under operating leases as at 31st March are, as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019 *
Future lease rental Receipts			
Payable not later than 1 year	-	7.78	-
Payable not later than 1 year and not more than 2 years	-	8.17	-
Payable not later than 2 year and not more than 3 years	-	8.58	-
Payable not later than 3 year and not more than 4 years	-	3.65	-
<b>Total</b>	-	<b>28.18</b>	-

#### \* Note: Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, AS 19 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard modified retrospective approach to its leases.

**Investment property**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Lease payment recognized in the statement of profit & loss during the year is Rs.	3.96	10.11	-
Direct Operating expense from property that generated rental income	0.42	0.72	-
Depreciation	3.10	3.09	-
<b>Profit from Investment Property</b>	<b>0.44</b>	<b>6.30</b>	-

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair value of Investment Properties	231.17	231.17	-
<b>Total</b>	<b>231.17</b>	<b>231.17</b>	-

**Annexure VI: Statement of Notes to the Restated Consolidated Financial Information**

(Amounts in ₹ lakhs, unless otherwise stated)

**42. Disclosure related to Micro and Small Enterprises**

Note 1: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
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.	-	-	-

**Annexure VI: Statement of Notes to the Restated Consolidated Financial Information**

(Amounts in ₹ lakhs, unless otherwise stated)

**43. Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Information for FY 20-21**

Name of entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated Profit or loss	Amount
Maximus International Limited	47.48%	1,389.48	6.91%	24.41
(Previous Year)	54.65%	1,471.30	20.98%	56.78
<b>Foreign Subsidiary</b>				
Maximus Global FZE	22.74%	665.40	70.20%	247.96
(Previous Year)	15.93%	428.79	67.85%	183.64
MX Africa Limited	2.27%	66.52	11.04%	39.00
(Previous Year)	1.53%	29.43	3.48%	9.42
<b>Total</b>	<b>72.50%</b>	<b>2,121.40</b>	<b>88.15%</b>	<b>311.37</b>
<b>Previous Year Total</b>	<b>71.66%</b>	<b>1,929.52</b>	<b>92.32%</b>	<b>249.84</b>
<b>Minority interest in Subsidiary</b>	<b>27.50%</b>	<b>804.76</b>	<b>11.85%</b>	<b>41.85</b>
<b>Previous Year Total</b>	<b>28.34%</b>	<b>762.91</b>	<b>7.68%</b>	<b>20.80</b>

**44. FAIR VALUE MEASUREMENTS**
**Financial instruments by category**

Particulars	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>									
Investments									
- Equity Instruments	-	127.32	-	-	211.39	-	-	240.39	8.31
Trade Receivables	-	-	1,550.69	-	-	1,276.42	-	-	525.93
Cash and Cash Equivalents	-	-	104.06	-	-	99.43	-	-	107.93
Bank Balances other than above	-	-	4.80	-	-	9.30	-	-	15.94
Loan	-	-	687.49	-	-	520.49	-	-	946.69
Other Financial Asset	-	-	95.47	-	-	21.50	-	-	35.99
<b>Total Financial Assets</b>	<b>-</b>	<b>127.32</b>	<b>2,442.51</b>	<b>-</b>	<b>211.39</b>	<b>1,927.14</b>	<b>-</b>	<b>240.39</b>	<b>1,640.78</b>
<b>Financial Liabilities</b>									
Borrowings	-	-	620.76	-	-	482.35	-	-	133.02
Trade payables	-	-	676.78	-	-	675.56	-	-	337.87
Other financial liabilities	-	-	48.27	-	-	50.42	-	-	12.35

Particulars	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Total Financial Liabilities</b>	-	-	1,345.81	-	-	1,208.33	-	-	483.23

## Annexure VI: Statement of Notes to the Restated Consolidated Financial Information

(Amounts in ₹ lakhs, unless otherwise stated)

### (I) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the Indian accounting standard. An explanation of each level follows underneath the table.

#### Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at March 31, 2021	Notes	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Financial Investments at FVOCI				
Equity Instruments	5	127.32	-	-
<b>Total Financial Assets</b>		127.32	-	-
Financial Liabilities		-	-	-
<b>Total Financial Liabilities</b>		-	-	-

#### Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at March 31, 2020	Notes	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Financial Investments at FVOCI				
Equity Instruments	5	211.39	-	-
<b>Total Financial Assets</b>		211.39	-	-
Financial Liabilities		-	-	-
<b>Total Financial Liabilities</b>		-	-	-

#### Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at March 31, 2019	Notes	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Financial Investments at FVOCI				
Equity Instruments	5	240.39	-	-
<b>Total Financial Assets</b>		240.39	-	-
Financial Liabilities		-	-	-
<b>Total Financial Liabilities</b>		-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year. The group's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

## **Annexure VI: Statement of Notes to the Restated Consolidated Financial Information**

**(Amounts in ₹ lakhs, unless otherwise stated)**

### **(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- The fair value of the remaining financial instruments is determined using discounted analysis.

The carrying amount of trade receivables, cash and cash equivalents loan, trade payables, borrowings and other financial liabilities are considered to be the same as their fair value, due to their short - term nature.

## **45. FINANCIAL RISK MANAGEMENT**

The group's Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework.

The group's risk management policies are established to identify and analyze the risks faced by the group, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

### **A. Credit Risks**

Credit risk is the risk of financial loss to the group if customers or counter party to a financial instruments fails to meet its contractual obligations and arises principally from the group's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the group grants the credit terms in the normal course of business. The group establishes an allowance for doubtful debts and impairment that represents its estimates of current losses in respect of trade and other receivables.

#### **(i) Credit risk management**

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, 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 group grants credit terms in the normal course of business.

The group 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 through each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i. Actual or expected significant adverse changes in business;
- ii. Actual or expected significant changes in the operating results of the counterparty;
- iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- iv. Significant increase in credit risk on other financial instruments of the same counterparty;

- v. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the group. Where loans or receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

## Annexure VI: Statement of Notes to the Restated Consolidated Financial Information

(Amounts in ₹ lakhs, unless otherwise stated)

### B. Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the group's short-term, medium-term and long-term funding and liquidity management requirements.

The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### (i) Maturities of financial liabilities

The tables herewith analyze the group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

#### Contractual maturities of financial liabilities

Particulars	Less than 1 year	More than 1 year	Total
<b>As at March 31, 2021</b>			
<b>Non-derivatives</b>			
Borrowing	561.88	58.88	620.76
Trade payables	676.78	-	676.78
Other financial liabilities	31.20	17.07	48.27
<b>Total Non-derivative liabilities</b>	<b>1,269.86</b>	<b>75.95</b>	<b>1,345.81</b>
<b>As at March 31, 2020</b>			
<b>Non-derivatives</b>			
Borrowing	416.58	65.77	482.35
Trade payables	675.56	-	675.56
Other financial liabilities	29.50	20.92	50.42
<b>Total Non-derivative liabilities</b>	<b>1,121.64</b>	<b>86.69</b>	<b>1,208.32</b>
<b>As at March 31, 2019</b>			
<b>Non-derivatives</b>			
Borrowing	102.22	30.80	134.82
Trade payables	337.87	-	337.87
Other financial liabilities	10.55	1.80	10.55



Particulars	Less than 1 year	More than 1 year	Total
<b>Total Non-derivative liabilities</b>	<b>450.63</b>	<b>32.60</b>	<b>483.23</b>

### C. Market Risks:

#### i. Price Risk

The group is mainly exposed to the price risk due to its investments in equity instrument. The price risk arises due to uncertainties about the future market values of these investments. The above instruments risk are arises due to uncertainties about the future market values of these investments

#### Management Policy

The group maintains its portfolio in accordance with the framework set by the Risk management Policies. Any new investment or divestment must be approved by the board of directors, chief financial officer and Risk Management committee.

#### ii. Currency Risk

Currency Risk is the risk that the value of financial instrument will fluctuate due to changes in foreign exchange rates. Foreign Currency risk arise majorly on account of export sales, import purchase, and foreign loan given. The group's foreign currency exposures are managed in accordance with its foreign exchange risk management policy and are regularly reviewed by the group.

## 46. CAPITAL MANAGEMENT

### Risk Management

For the purpose of the group's capital management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the group. The group manages its capital to optimize returns to the shareholders and makes adjustments to it in light of changes in economic conditions or its business requirements. The group's objectives are to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximize the shareholders value. The group funds its operation through internal accruals. The management and Board of Directors monitor the return on capital.

## OTHER FINANCIAL INFORMATION

### Restated Consolidated Statement of Accounting Ratios

(Amounts in ₹ lakhs, unless otherwise stated)

Particulars	As on 31st March, 2021	As on 31st March, 2020	As on 31st March, 2019
Restated Net profit as per profit and loss account	311.37	249.84	186.67
Actual number of equity shares outstanding at the end of the year	1,25,72,000	1,25,72,000	1,25,72,000
Equivalent weighted average number of equity shares at the end of the year	1,25,72,000	1,25,72,000	1,25,72,000
Other Equity	864.20	672.32	388.92
Net worth	2,121.40	1,929.52	1,646.12
Earnings Per Share:			
Basic and Diluted	2.48	1.99	1.48
Return on Net Worth (%)	14.68%	12.95%	11.34%
Net Asset Value Per Share (Rs) - based on actual number of equity shares at the end of the year	16.87	15.35	13.09
Nominal value per equity share (Rs.)	10	10	10

#### Notes to Accounting Ratios:

1. The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI appearing in Annexure VII.
2. Formulas used for calculating above ratios are as under:
  - i.* Basic EPS is being calculated by using the formula: (Net Profit before Extra-ordinary items but after tax/Equivalent Weighted Average No. of outstanding shares )
  - ii.* Net Asset Value is being calculated by using the formula: ( Net Worth /Actual Number of Equity Shares at year end )
  - iii.* Return on Net worth is being calculated by using the formula: ( Profit After Tax / Net worth )
3. There is no revaluation reserve in our company.

As there is no dilutive capital in the company, therefore Basic and Diluted EPS are similar.

## CAPITALISATION STATEMENT

### Restated Consolidated Statement of Capitalisation

(Amounts in ₹ lakhs, unless otherwise stated)

Particulars	Pre Issue (as at March 31, 2021)	Post Issue
<b>Borrowings</b>		
Short term debt (A)	561.88	[●]
Long Term Debt (including current maturity) (B)	84.68	[●]
<b>Total Borrowings (C = A + B)</b>	<b>646.56</b>	<b>[●]</b>
<b>Shareholders' funds</b>		
Equity share capital (D)	1,257.20	[●]
Other Equity (E)	864.20	[●]
<b>Total shareholders' funds (F = D + E)</b>	<b>2,121.40</b>	<b>[●]</b>
Long term debt / shareholders funds	0.04	[●]
Total debt / shareholders funds	0.31	[●]

**Notes:**

- The corresponding Post-Issue capitalisation data is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the Restated Consolidated Statement of Capitalisation.
- The amounts disclosed above are based on the Restated Consolidated Financial Information of the Company.

**As per our report of even date.**

**For C N K & Associates, LLP.**  
Chartered Accountants  
FRN: 101961W/W-100036

**For and on behalf of the Board of Directors of  
Maximus International Limited**

**Pareen Shah**  
Partner  
M. No. 125011

**Niharkumar Naik**  
(Independent Director)  
DIN: 08302107

**Deepak Raval**  
(Chairman and  
Managing Director)  
DIN: 01292764

Place: Vadodara  
Date: August 13, 2021

**Milind Joshi**  
(Chief Financial Officer)

**Dharati Shah**  
(Company Secretary)

Place: Vadodara  
Date: August 13, 2021

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Red Herring Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.*

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### BUSINESS OVERVIEW

Our Company was incorporated as Maximus International Limited on December 22, 2015 under the Companies Act, 2013 with the Registrar of Companies, Ahmedabad, Gujarat, bearing Registration No. 085474. The Company's Corporate Identity Number is L51900GJ2015PLC085474. Our Company is a subsidiary of Optimus Finance Limited which is a BSE Listed Company and also RBI Registered NBFC.

We are a manufacturer, importer and exporter of lubricants, different types of base oils and other petro-chemical products used mainly in industries such as automotive, metal working, refrigeration, electrical, and paint. Our company on a standalone basis is primarily a merchant exporter and sourcing company and being the parent company of our global lubricant operations owns through our subsidiaries manufacturing set ups in Kenya as well as UAE. Our consolidated manufacturing capacity for lubricants and speciality oils/chemicals is 18,000 KL p.a.

Our Company has two wholly owned subsidiaries namely (1) Maximus Global FZE (Sharjah, UAE) and (2) MX Africa Limited (Nairobi, Kenya) having production facilities, engaged in manufacturing of lubricants, various base oils and chemical products through our two step down subsidiaries namely (1) Maximus Lubricants LLC, a subsidiary of Maximus Global FZE (Sharjah, UAE) and (2) Quantum Lubricants (E.A.) Limited, a subsidiary of MX Africa Limited (Nairobi, Kenya).

Our Company on a standalone basis primarily acts as a Merchant Exporter and Sourcing Company with a niche focus on lubricants and base oils. Our Company has also started trading in plastic additives used for master batches. Our trading business model does not require us take physical delivery of the goods imported and exported by us. We import goods on the basis of customer specific requirement and the same is transported directly from our supplier to our customer. Due to the above, we require minimum regulatory clearances and also save considerable resources due to less compliance with various regulators. This helps us in concentrating on our core business activity and in building better trade relations in the international market. This model also reduces the time of delivery to our customers which enables us to negotiate better prices with them as compared to our competitors. Since our trading business model does not entail delivery of goods, we considerably save our inventory costs and related overheads.

### Segment Reporting

- **Business segment**

The Group's operations predominantly comprise of only one segment i.e. "Manufacturing and trading of Lubricants, Base oil and other petro-chemical products". In view of the same, separate segmental information is not required to be disclosed as per the requirements of Indian Accounting Standard 108.

- **Geographical segments**

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

- ✓ Sales within India include sales to customers located within India.
- ✓ Sales outside India include sales to customers located outside India.

We have our presence in the markets of Middle East & African Countries and we understand needs of these Markets. Our Company aims to expand its product portfolio in these regions and acts as a sourcing company for various industrial requirements for speciality oils. We strive to maintain high standards in terms of quality and service thus strengthening our position and ensure client retention. We further endeavour to give optimum results by adopting conceptual methodology on international marketing, understanding customer buying behaviour & product management, distribution, logistics & pricing strategies in our region of exports.

Based on Restated Consolidated Financial Statements, our revenue from operations for the Fiscal 2019, 2020 & 2021 was amounted to ₹ 5,725.21 lakhs, ₹ 3,074.43 lakhs and ₹ 5,247.06 lakhs respectively. Further, our earnings before interest, tax, depreciation and amortization (“EBITDA”) for the Fiscal 2019, 2020 & 2021 was amounted to ₹ 398.75 lakhs, ₹ 424.80 lakhs and ₹ 637.09 lakhs respectively showing a CAGR of 26.40 % p.a.. Furthermore, our profit after tax for the Fiscal 2019, 2020 & 2021 was amounted to ₹ 186.67 lakhs, ₹ 270.64 lakhs and ₹ 353.21 lakhs respectively showing a CAGR of 37.56% p.a.

### ***Presentation of Financial Information***

Our restated statement of assets and liabilities for the fiscal years ended March 31, 2021, March 31, 2020 and March 31, 2019, and the restated statement of profit and loss (including other comprehensive income), cash flows and changes in equity for the fiscal years ended March 31, 2021, March 31, 2020 and March 31, 2019, together with the summary statement of significant accounting policies and other explanatory information thereon (collectively, the “Restated Financial Statement”), have been derived from our audited financial statements as at and for the fiscal years ended March 31, 2021 and March 31, 2020 prepared in accordance with Ind AS and for the fiscal year ended March 31, 2019 prepared in accordance with the accounting standards notified under the section 133 of the Act (“Indian GAAP”), read with the Companies (Indian Accounting Standards) Rules, 2015, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI

### **FACTORS AFFECTING OUR RESULT OF OPERATIONS**

Except as otherwise stated in the Draft Red Herring Prospectus and the Risk Factors given in the Draft Red Herring Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

- ✓ ***We rely on a limited number of customers for a portion of our revenue from operations. Significant decrease in revenue from any of those customers may adversely affect our business, results of operations and financial condition.***

A portion of our revenues from operations is derived from a limited number of key customers. In Fiscals 2019, 2020 and 2021, our top five customers contributed 83%, 59% and 61%, respectively; of our gross cement revenue in such periods, while our single largest customer contributed 45%, 27% and 36%, respectively, of our gross revenue in such periods. Our customers typically do not enter into any long-term supply agreements with us. We deliver our products to our customers based on purchase orders raised by customers from time to time depending on their requirements. There can be no assurance that our significant customers in the past will continue to place similar orders with us in the future. A significant decrease in business from any such key customer, whether due to circumstances specific to such customer or adverse market conditions affecting the lubricant and oil industry or the economic environment generally, such as the COVID-19 pandemic, may materially and adversely affect our business, results of operations and financial condition.

- ✓ ***Trade Receivables form a substantial part of our current assets and net worth. Failure to manage our trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

Our business operations are working capital intensive. In order to effectively expand our products portfolio, Business arenas and also increase in the number of verticals and explore various geographical locations, along with

the existing facilities we need to have access to a larger amount of liquid funds and sufficient working capital. We believe there is growing trend towards lubricants, additives and other petrochemical products. Along with the increasing demand, we expect to increase our order taking appetite thus increasing our volumes, revenues and scale of operations and we will require substantial working capital for the same. It is hence our strategy to raise funds from this issue and augment our fund based working capital capabilities. We believe that companies with high liquidity on their balance sheet would be able to better exploit market opportunities. Hence, in order to effectively operate and maximize our capacity utilization at the existing facilities we need to have access to a larger amount of liquid funds and sufficient working capital. Trade receivables form a substantial part of our current assets and net worth.

The results of operations of our business are dependent on our ability to effectively manage our trade receivables. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and distributors and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them, especially since our customers are companies outside India. However, if our management fails to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

✓ ***We face foreign exchange risks that could adversely affect our results of operations.***

We face foreign exchange rate risk as our entire revenues are denominated in a currency other than the Indian Rupee. Because of our foreign currency exposure, exchange rate fluctuations between the Indian Rupee and foreign currencies, namely the Kenyan Shiling (KES) and U.S. dollar, can have a material impact on our results of operations, cash flows and financial condition. The exchange rate between the Indian Rupee and U.S. dollar has been volatile in recent periods and may continue to fluctuate in the future. Fluctuations in the exchange rates further affect us to the extent that approximately 99.99% of our purchases of lubricants, base oils and petro-chemical products are imports denominated in currency other than the Indian Rupee.

We generally make a substantial advance payment towards the total purchases to our import suppliers, while the payment for the goods exported is received over a period of time ranging from 50 days to 100 days of the cost of sale. This gap results in increased risk towards foreign exchange fluctuation. As we expand our product base and also our geographical markets, we will have greater exposure to such exchange rate fluctuations. Though our company currently does not engage in any kind of hedging contracts for exchange rate fluctuations, we may enter into the same in future which may or may not adequately cover the potential loss that may arise as a result of such foreign exchange transactions. Moreover, the hedges may not cover all such exposures and are in any event subject to their own risks, including counterparty credit risk. Adverse moves in exchange rates may adversely impact our profitability and financial condition.

✓ ***We rely on third parties, including our suppliers, for substantially all of our export and delivery of goods, and if such third parties fail to assist us in a consistent, timely and efficient manner, our business, results of operations and financial condition may be adversely affected.***

The logistical parts of our exports depend substantially upon third parties, which include our suppliers as well. We follow a low regulatory business model, where the goods imported by us, based on the order received by us, are directly delivered to our export customer through various modes of transport depending on the location. The third party delivery companies are either an independent logistic company or are part of our supplier network. We cannot assure you that such third parties will be able to continue with their services in a timely manner, or will be successful in ensuring the delivery of our products. Further, the delivery cost is generally included as part of the purchase invoice from our supplier, we cannot assure you that such third parties will be able to fulfil their obligations entirely, in a manner acceptable to us, or at all. As independent business operators, the supplier appointed logistic company may, from time to time, disagree with us and our strategies regarding the business or our interpretation of our respective rights and obligations under applicable export and custom laws in certain countries. We cannot assure you that such third parties shall not terminate their arrangements with our supplier or for logistical services to a particular region. Also, though our imports and delivery are majorly on a cost, insurance and freight (CIF) basis, we cannot assure that the third party will be able to deliver the goods in a safe and complete manner.

We may have to initiate litigation in respect of any damage, theft or irregularity of the goods during the shipment process by such third parties, and such litigation could divert the attention of our management from our operations, which could harm our business, financial condition and results of operation. Further, we cannot assure you that the outcome of any such litigation will be favorable to us. Any adverse experience of customers of such third party logistics agents, or negative publicity attracted by such agents could adversely affect our reputation and business prospects. If we are unable to establish or maintain our relationship with our suppliers and indirectly with such third parties, our business, results of operations and financial condition may be materially and adversely affected.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***Basis of preparation of financial information***

The Restated Consolidated Financial Information of the Group comprises of the Restated Consolidated Statements of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019 and the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019, the Basis for Preparation and Significant Accounting Policies and the Statement of Notes to the Restated Consolidated Financial Information (hereinafter collectively referred to as 'Restated Consolidated Financial Information').

The Restated Consolidated Financial Information have been compiled by the management of the Company from:

- Audited Consolidated Financial Information of the Group as at and for the year ended March 31, 2021 and March 31, 2020, prepared in accordance with the Ind AS and other accounting principles generally accepted in India.
- The comparative information for the year ended March 31, 2019 included in the Consolidated Ind AS Financial statements for the year ended March 31, 2020, which has been prepared by making Ind AS adjustments to the Audited Consolidated Financial Information of the Group as at and for the year ended March 31, 2019 prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") which was approved by the Board of directors at their meeting held on May 16, 2019.

### **Critical Accounting Policies**

The preparation of the group's Consolidated Financial Information requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **Estimates and assumptions:**

##### **a. Determination of the estimated useful life of tangible assets**

Useful; life of tangible assets is based on the life prescribed in schedule II of the companies act, 2013. In cases, where the useful life are different from that prescribed in schedule II, they are based on technical advice, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

##### **b. Taxes:**

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

### **c. Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### **d. Impairment of financial assets:**

The group assesses impairment based on expected credit losses (ECL) model on trade receivables. The group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

### **e. Impairment of non-financial assets:**

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

### **f. Other Provisions:**

Significant estimates are involved in the determination of provisions. Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated.

## ***SIGNIFICANT ACCOUNTING POLICIES***

### **A. Current versus non-current classification**

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.



A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has identified twelve months as its operating cycle for the purpose of current / noncurrent classification of assets and liabilities.

## **B. Property, Plant and Equipment:**

### **Recognition and measurement:**

All items of property, plant and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation, and impairment loss, if any. Cost includes purchase price, including non-refundable duties and taxes, expenditure that is directly attributable to bring the assets to the location and condition necessary for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees, and for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policies. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for, as separate items (major components) of property, plant and equipment. Any gains or losses on their disposal, determined by comparing sales proceeds with carrying amount, are recognized in the Statement of Profit or Loss.

### **Subsequent Expenditure:**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### **De-Recognition:**

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from its use. Any gain or loss arising from its de-recognition is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when the asset is de-recognized.

### **Depreciation methods, estimated useful lives and residual value:**

Depreciation on property, plant and equipment is provided using the straight-line method based on life and in the manner prescribed in Schedule II to the Companies Act, 2013. The estimated useful lives of assets are as follows:

<b>Asset</b>	<b>Useful Lives (Years)</b>
Office buildings	60 years
Furniture and fixtures	8-10 years
Office equipment	5 years

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Computer equipment	3-5 years
Vehicles	8 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**Capital Work-in-Progress:**

Plant and properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying asset, borrowing costs capitalized in accordance with the Group’s accounting policies. Such plant and Properties are classified and capitalized to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the asset are ready for their intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under “Other Non-Current Assets” and the cost of assets not put to use before such date are disclosed under ‘Capital work-in-progress’.

**C. Investment Property :**

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property.

**Recognition and measurement:**

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

**Subsequent Expenditure:**

Subsequent expenditure is capitalized to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

**De-Recognition:**

When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

**Depreciation methods, estimated useful lives and residual value:**

Investment properties are depreciated using straight-line method over their estimated useful lives.

**D. Impairment of Non-financial assets:**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be identified.

The Group’s corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

#### **E. Inventories:**

Inventories of the Group consists of Raw Material, Packing Material, Finished Goods & Traded goods. Inventories are measured at lower of cost and net realizable value. Cost of inventories is determined on a FIFO, after providing for obsolescence and other losses as considered necessary. Cost includes expenditure incurred in acquiring the inventories, reduction and conversion costs and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The comparison of cost and net realizable value is made on an item-by-basis.

#### **F. Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **Financial Assets:**

##### **Initial recognition, classification and measurement:**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss and recognized in other gains/ losses.

##### **Equity Instruments**

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognized in Statement of Profit and Loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit and loss are recognized in other gain/losses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

##### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized (i.e. removed from the group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either
  - a. The group has transferred substantially all the risks and rewards of the asset, or
  - b. The group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Impairment of financial assets:**

In accordance with Ind AS 109, the group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are measured at amortized cost e.g., loans, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset.

The group follows ‘simplified approach’ for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on life time ECLs at each reporting date, right from its initial recognition.

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

#### **Financial Liabilities:**

##### **Initial recognition and Measurement:**

The group’s financial liabilities include trade and other payables, loans and borrowings. All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables recognized net of directly attributable transaction costs.

##### **Subsequent measurement:**

The measurement of financial liabilities depends on their classification, as described below:

##### **Financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

##### **Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an Integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

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**Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**Off-setting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**G. Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

**H. Cash Flow**

Cash flows are reported using the Indirect Method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**I. Cash dividend:**

The group recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

**J. Foreign Currency Translation:****Initial Recognition:**

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

**Conversion:**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**K. Business combinations and goodwill**

The excess of cost to the group of its investments in subsidiary / associates companies over its share of the equity of the subsidiary / associates companies at the dates on which the investments in the subsidiary / associates companies are made, is recognized as 'Goodwill' being an asset in the Restated Consolidated Financial Information. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the

subsidiary / associates companies as on the date of investment is in excess of cost of investment of the group, it is recognized as 'Capital Reserve' and shown under the head 'Other equity', in the Restated Consolidated Financial Information.

#### **L. Revenue Recognition:**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. The group assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

#### **Sale of Traded Goods:**

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer.

The group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the group considers the effects of variable consideration, the existence of significant financing component and consideration payable to the customer like return and trade discounts.

#### **M. Other Income:**

##### **Interest income:**

Interest income from the financial assets is recognized on a time basis, by reference to the principle outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the group and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

##### **Dividends:**

Dividend income is recognized when the unconditional right to receive the income is established.

##### **Export Benefits:**

The benefits accrued under the duty drawback scheme as per the Import and Export Policy in respect of exports made under the said scheme has been included under the head 'Other Income'.

Other income is accounted for an accrual basis for except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

#### **N. Employee benefits:**

Employee benefits includes short term employee benefits, contribution to defined contribution schemes, contribution to defined benefit plan and Compensated absences.

##### **Short-term Employee Benefits:**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Appropriate provisions and payments are made towards defined contribution schemes, defined benefit plans, and compensated absences, in accordance with the respective country's law and regulation and employment contract.

**O. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**P. Income taxes :**

The tax expense comprises of current income tax and deferred tax.

**Current income tax:**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are:

Those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax:**

Deferred tax is provided using the liability approach temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

#### **Q. Provisions and Contingent liabilities and contingent assets :**

##### **a) Provisions:**

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

##### **b) Contingent Liabilities and Contingent assets:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle

the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in The Restated Consolidated Financial Information.

A contingent assets is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in The Restated Consolidated Financial Information.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

#### **R. Earnings per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **S. Group as a lessee**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



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## **Group a lessee**

### **Lease Liability**

At the commencement date, the group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

### **Right-of-use assets**

Initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

### **Subsequent measurement**

#### **Lease Liability**

Group measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

#### **Right-of-use assets**

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

### **Impairment**

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

### **Short term Lease:**

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

### **Group as a lessor**

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The lease income from operating leases is recognized on either a straight-line basis over the lease term or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

### **T. Segment reporting:**

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, evaluates the group's performance and allocates the resources based on an analysis of various performance. The analysis of geographical segments is based on the geographical location of the customers wherever required.

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Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

**Segment Policies:**

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting The Restated Consolidated Financial Information of the group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

**RESULTS OF OUR OPERATIONS**
*(₹ in lakhs)*

Particulars	For the year ended March 31,					
	2021	% of Total Income	2020	% of Total Income	2019	% of Total Income
<b>INCOME:</b>						
Revenue from Operations (Net)	5,247.06	98.78%	3,074.43	96.08%	5,725.21	97.86%
Other Income	64.96	1.22%	125.44	3.92%	125.17	2.14%
<b>Total income</b>	<b>5,312.03</b>	<b>100.00%</b>	<b>3,199.87</b>	<b>100.00%</b>	<b>5,850.38</b>	<b>100.00%</b>
<b>EXPENSES:</b>						
Cost of material consumed	3,403.08	64.06%	2,174.80	67.97%	-	0.00%
Purchases of stock in trade	363.41	6.84%	384.37	12.01%	5,310.82	90.78%
Changes in Inventories of finished goods, work-in-progress and stock in trade	42.74	0.80%	(148.67)	(4.65)%	(0.02)	0.00%
Employee benefit expenses	431.89	8.13%	168.48	5.27%	41.63	0.71%
Finance costs	116	2.18%	70.07	2.19%	48.28	0.83%
Depreciation	125.96	2.37%	47.93	1.50%	15.7	0.00%
Other Expenses	433.81	8.17%	196.09	6.13%	99.20	0.00%
<b>Total expenses</b>	<b>4,916.88</b>	<b>92.56%</b>	<b>2,893.07</b>	<b>90.41%</b>	<b>5,515.61</b>	<b>94.28%</b>
<b>Net Profit / (Loss) before Tax</b>	<b>395.13</b>	<b>7.44%</b>	<b>306.80</b>	<b>9.59%</b>	<b>334.77</b>	<b>5.72%</b>
<b>Less: Tax expense</b>						
(a) Current Tax	32.08	0.60%	19.43	0.61%	24.92	0.43%
(b) Deferred Tax	8.54	0.16%	16.72	0.52%	0.16	0.00%
(c) Excess or short provision of earlier years	1.30	0.02%	-	-	-	-
<b>Total Tax Expense</b>	<b>41.92</b>	<b>0.79%</b>	<b>36.15</b>	<b>1.13%</b>	<b>25.07</b>	<b>0.43%</b>
<b>Net Profit/(Loss) after tax</b>	<b>353.22</b>	<b>6.65%</b>	<b>270.65</b>	<b>8.46%</b>	<b>309.7</b>	<b>5.29%</b>

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## ***Main Components of our Profit and Loss Account***

### **Income**

Our total income comprises of revenue from operations and other income

#### *Revenue from Operations*

Our revenue from operation as a percentage of total income were 98.78%, 96.08% and 97.86% respectively, for the fiscals 2021, 2020 and 2019.

#### *Other Income*

Our other income comprises of interest income, lease income, freight, duty drawback, forex gain etc. Other income, as a percentage of total income was 1.22%, 3.92% and 2.14% for the fiscals 2021, 2020 and 2019 respectively.

### **Expenditure**

Our total expenditure primarily consists of Cost of material consumed, Purchases, Changes in Inventory, Employee Benefit Expenses, Finance Cost, Depreciation & Amortization Expenses and Other Expenses.

#### *Cost of Material Consumed & Purchases of stock in trade*

Cost of Material consumed & Purchases of stock in trade is primarily purchases of raw and packing material for the manufacturing and a part for trading i.e. lubricants base oils and other petrochemical products as purchase of stock in trade.

#### *Changes in Inventories of Finished Goods, Work-In-Progress and stock in trade*

Changes in inventories, primarily, of finished goods and stock-in trade.

#### *Employee Benefit Expenses*

Expenses in relation to employee's remuneration and benefits include salaries, wages, bonus and staff welfare expenses etc.

#### *Finance costs*

Finance cost primarily consists of interest payable on borrowings availed by our company.

#### *Depreciation and Amortization Expenses*

Depreciation and Amortization Expenses consist of depreciation on the Tangible assets and amortization on Intangible assets of our Company which primarily includes building, plant & machinery, computer equipment, furniture and fixture, office equipment, vehicles etc.

#### *Other Expenses*

Other expenses consist of advertisement expenses, power and fuel, repairs and maintenance expenses, office rent, licence fees, legal and professional fees, auditors remuneration, traveling and insurance expenses, freight and forwarding charges, donations, selling and distribution expense, telephone and miscellaneous expenses etc.

#### *Provision for Tax*

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates

and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## **Fiscal 2021 compared with fiscal 2020**

### *Income*

In fiscal 2021, our total income increased by ₹ 2,112.16 lakhs or 66.01 %, from ₹ 3,199.87 lakhs in fiscal 2020 to ₹ 5,312.03 lakhs in fiscal 2021. The increase in the year 2021 was due to increase in the revenue from operations as compared to last year.

Other income decreased by ₹ 60.48 lakhs or (48.21)%, from ₹ 125.44 lakhs in fiscal 2020 to ₹ 64.96 lakhs in fiscal 2021. The major factor for such decrease was decrease in foreign exchange gain.

### *Cost of Material Consumed*

Cost of material consumed increased by ₹ 1,228.28 lakhs or 56.48%, from ₹ 2,174.80 lakhs in fiscal 2020 to ₹ 3,403.08 lakhs in fiscal 2021 due to increase in purchase of raw materials.

### *Purchase of Stock in Trade*

Purchase of stock in trade decreased from ₹ 384.37 lakhs in Fiscal 2020 to ₹ 363.41 lakhs in Fiscal 2021 on account of purchase of Lubricants Base oils and Other petrochemical products.

### *Changes in Inventories of Finished Goods, Stock in Trade*

Changes in inventories of finished goods, stock in trade and work in progress was ₹ 42.74 lakhs in Fiscal 2021 compared to ₹ (148.67) lakhs in Fiscal 2020.

### *Employee Benefit Expenses*

Our Employee benefit Cost increased by ₹ 263.41 lakhs or 156.34%, from ₹ 168.48 lakhs in fiscal 2020 to ₹ 431.89 lakhs in fiscal 2021. This increase was mainly due to increase in salaries, wages and staff welfare expenses as compared to last fiscal.

### *Financial Cost*

Finance cost increased by ₹45.93 lakhs or 65.55%, from ₹70.07 lakhs in fiscal 2020 to ₹116.00 lakhs in fiscal 2021. The increase was mainly due to increase in the Interest on borrowings and leases.

### *Depreciation Expenses*

Depreciation expenses increased by ₹ 78.03 lakhs or 162.80%, from ₹ 47.93 lakhs in fiscal 2020 to ₹ 125.96 lakhs in fiscal 2021. This increase was on account of additions of assets in FY 2020-21 and also due to WDV effect on the existing assets.

### *Other Expenses*

Other expenses increased by ₹ 237.72 lakhs or 121.23%, from ₹ 196.09 lakhs in fiscal 2020 to ₹ 433.80 lakhs in Fiscal 2021. The increase was majorly due to increase in Advertisement expenses, Repairs and Maintenance, Office Rent, Legal and Professional fees, Travelling Expenses, Insurance Expenses ,Exchange loss on forex, telephone expenses etc

### *Profit/ (Loss) before Tax*

The increase in expenses has led to increase in our Profit/ (Loss) before tax by ₹ 88.33 lakhs or 28.79% from ₹ 306.8 lakhs in fiscal 2020 to ₹ 395.13 lakhs in fiscal 2021.

### *Tax Expense*

Current tax expenses significantly increased from ₹ 19.43 lakhs in Fiscal 2020 to ₹ 32.08 lakhs in Fiscal 2021. Deferred tax charge decreased from ₹ 16.72 lakhs in Fiscal 2020 to ₹ 8.54 lakhs in Fiscal 2021. There was excess/(short) tax provision of earlier years of ₹ 1.30 lakhs in Fiscal 2021.

### *Profit/ (Loss) after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 82.57 lakhs or 30.51%, from ₹ 270.65 lakhs in fiscal 2020 to ₹ 353.22 lakhs in fiscal 2021.

## **Fiscal 2020 compared with fiscal 2019**

### *Income*

In fiscal 2020, our total income decreased by ₹ 2650.51 lakhs or negative 45.30 %, from ₹ 5,850.38 lakhs in fiscal 2019 to ₹ 3,199.87 lakhs in fiscal 2020. The decrease in the year 2020 was due to decrease in the revenue from operations as compared to last year.

Other income increased by ₹ 0.27 lakhs or 0.22%, from ₹ 125.17 lakhs in fiscal 2019 to ₹ 125.44 lakhs in fiscal 2020. The major factor for such increase was due to rise in interest income.

### *Cost of Material Consumed*

Cost of material consumed was Nil in 2019 as compared to ₹ 2,174.80 in 2020.

### *Purchase of Stock in Trade*

Purchase of stock in trade decreased from ₹ 5,310.82 lakhs in Fiscal 2019 to ₹ 384.37 lakhs in Fiscal 2020 on account of purchase of Lubricants Base oils and Other petrochemical products.

### *Changes in Inventories of Finished Goods, Stock in Trade*

Changes in inventories of finished goods and stock in trade was ₹ (0.02) lakhs in Fiscal 2019 compared to ₹ (148.67) lakhs in Fiscal 2020.

### *Employee Benefit Expenses*

Our Employee benefit expenses increased by ₹ 126.85 lakhs or 304.71%, from ₹ 41.63 lakhs in fiscal 2019 to ₹ 168.48 lakhs in fiscal 2020. This increase was mainly due to increase in salaries ,wages and staff welfare expenses.

### *Financial Cost*

Finance cost increased by ₹ 21.79 lakhs or 45.13%, from ₹ 48.28 lakhs in fiscal 2019 to ₹ 70.07 lakhs in fiscal 2020. The financial costs incurred were Interest on borrowings.

### *Depreciation Expenses*

Depreciation expenses increased by ₹ 32.23 lakhs, or 205.29 % from ₹ 15.7 lakhs in fiscal 2019 to ₹ 47.93 lakhs in Fiscal 2020. This increase was on account of additions of assets in FY 2019-20 and also due to WDV effect on the existing assets.

### *Other Expenses*

Other expenses increased by ₹ 96.89 lakhs or 97.67 % from ₹ 99.2 lakhs in fiscal 2019 to ₹ 196.09 lakhs in Fiscal 2020. The increase was majorly due to increase in certain expense like Advertisement expenses, Repairs and Maintenance, Office Rent, Legal and Professional fees, Travelling Expenses, Insurance Expenses ,Exchange loss on forex, telephone expenses etc.

### *Profit/ (Loss) before Tax*

The increase in expenses has led to decrease in our Profit before tax by ₹ 27.97 lakhs or 8.35% from ₹ 334.77 lakhs in fiscal 2019 to ₹ 306.8 lakhs in fiscal 2020.

### *Tax Expense*

Current tax expenses decreased from ₹ 24.92 lakhs in Fiscal 2019 to ₹ 19.43 lakhs in Fiscal 2020. Deferred tax charge increased from ₹ 0.15 lakhs in Fiscal 2019 to ₹ 16.72 lakhs in Fiscal 2020.

### *Profit/ (Loss) after Tax*

After accounting for taxes at applicable rates, our Profit after Tax decreased by ₹ 83.98 lakhs or 44.99% from ₹ 186.68 lakhs in fiscal 2019 to ₹ 270.65 lakhs in fiscal 2020. Share of loss from associate was ₹ 123.02 lakhs in fiscal year 2019.

### **Cash Flows**

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2021	2020	2019
Net Cash from Operating Activities	347.69	(477.24)	153.52
Net Cash from Investing Activities	(218.02)	(269.65)	(86.88)
Net Cash used in Financing Activities	(125.04)	738.39	(56.63)

### *Cash Flows from Operating Activities*

Net cash from operating activities in fiscal 2021 was ₹ 347.69 lakhs as compared to the PBT of ₹ 395.14 lakhs for the same period. This difference is primarily on account of changes inventories, trade payables and other liabilities, trade receivables, other financial assets, short term borrowings and other assets.

Net cash from operating activities in fiscal 2020 was negative ₹ 477.24 lakhs as compared to the PBT of ₹ 306.80 lakhs for the same period. This difference is primarily on account of changes inventories, trade payables and other liabilities, trade receivables, other financial assets, short term borrowings and other assets.

Net cash from operating activities in fiscal 2019 was ₹ 153.52 lakhs as compared to the PBT of ₹ 334.77 lakhs for the same period. This difference is primarily on account of changes inventories, trade payables and other liabilities, trade receivables, other financial assets, short term borrowings and other assets.

### *Cash Flows from Investment Activities*

In fiscal 2021, the net cash invested in Investing Activities was negative ₹ 218.03 lakhs. This was majorly on account of purchase of Property, plant and equipment, investments made, interest received, increase in loans given, rent received etc.

In fiscal 2020, the net cash invested in Investing Activities was negative ₹ 269.65 lakhs. This was majorly on account of purchase of Property, plant and equipment, proceeds from sale of investments, purchase of investment property, goodwill acquisition, interest received, increase in loans given, rent received etc.

In fiscal 2019, the net cash invested in Investing Activities was negative ₹ 86.88 lakhs. This was majorly on account of purchase of Property, plant and equipment.

### ***Cash Flows from Financing Activities***

Net cash from financing activities in fiscal 2021 was negative ₹ 125.04 lakhs. This was on account of payment of long term borrowings, repayment of lease liabilities, and finance cost.

Net cash from financing activities in fiscal 2020 was ₹ 738.39 lakhs. This was on account of payment of long term borrowings, repayment of lease liabilities, and finance cost and increase/decrease in Non Controlling Interest.

Net cash from financing activities in fiscal 2019 was negative ₹ 56.63 lakhs. This was on account of payment of long term borrowings and finance cost.

### ***OTHER MATTERS***

#### **1. Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

#### **2. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on pages nos. 139 and 194 respectively of this Draft Red Herring Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

#### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on page nos. 19 and 194 respectively of this Draft Red Herring Prospectus respectively, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

#### **4. Future relationship between Costs and Income**

Other than as described in the chapter titled “*Risk Factors*” beginning on page no 19 of this Draft Red Herring Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

#### **5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company and introduction of new products in the market.

#### **6. New Products and Business Segment**

Except as disclosed in this Draft Red Herring Prospectus, we have not publicly announced any new products or business segments. For details of new products, please refer to “*Our Business*” on page no. 87 of this Draft Red Herring Prospectus.



**7. The extent to which the business is seasonal.**

Our business is not seasonal in nature.

**8. Any significant dependence on a single or few suppliers or customers**

The revenues from our top 5 and top 10 customers constituted approximately 61.00 % and 71.00 % respectively for Fiscal 2021. For further details, please refer chapter “*Our Business*” beginning on page no. 87 of this Draft Red Herring Prospectus.

**9. Competition Conditions**

We operate in a competitive atmosphere. Our competition varies by market, geographic areas and type of product. Our Company faces stiff competition from domestic as well as global market. Some of our competitors may have greater resources than those available to us. See sections, “*Our Business*”, “*Industry Overview*”, “*Risk Factors*” on page nos. 87, 70 and 19 respectively of this Draft Red Herring Prospectus

**10. Significant Developments After March 31, 2021 that may affect our future results of operations**

There has been no significant developments after March 31, 2021 that may affect our future results of operations.

## FINANCIAL INDEBTEDNESS

Our Company and our step down subsidiary company, i.e. Quantum Lubricants (E.A) Limited have availed borrowings in the ordinary course of our business.

Set forth below is a brief summary of our aggregate outstanding borrowings on a consolidated basis as on March 31, 2021:

(₹ in lakhs)

Nature of Borrowing	Amount
Secured Borrowings	636.82
Unsecured Borrowings	9.74
<b>Total<sup>(1)</sup></b>	<b>646.56</b>

<sup>(1)</sup> Includes ₹ 25.80 lakhs shown under Current Liabilities as 'Current Maturities of Long Term Debt'.

### A. Details of Secured Loans

#### I. Maximus International Limited (MIL)

(₹ in lakhs)

Name of Lenders	Sanction Letter Date	Nature of the Facility	Amount Sanctioned	Amount outstanding as on March31, 2021	Interest Rate and Security
Federal Bank Limited	August 07,2020	Letter of Credit/Cash Credit	60.00	57.99	Note 1
Federal Bank Limited	June 12, 2020	Working capital term Loan	10.51	10.51	Note 2

### Interest Rate and Security Details

Particulars	Interest Rate	Security Details
Note 1	10.5 % p.a.	<p>✓ <b>Primary Security:</b></p> <p><b>For CC -</b> Hypothecation of entire Book Debts</p> <p><b>For LC -</b> Hypothecation of stock procured under LC , documents of title of goods and book debts arising out of sale of goods procured under LC</p> <p>✓ <b>Collateral Security:</b></p> <p><b>For LC(IM/IN) -</b> Lien mark on 15% Cash margin in the form of Fixed Deposit with Federal Bank</p> <p>✓ <b>Common Collateral Security:-</b></p> <p>(1) RM of commercial office no. 301 situated in scheme known as Atlantis Heritage located on land bearing R. S no. 54-A/1 paiki, C. S. no. 383 of village wadi wadi, Dist Vadodara. Property is owned by Maximus International Limited.</p> <p>(2) RM charge on flat no. B/202 in scheme known as Neptune Trinity located</p>

Particulars	Interest Rate	Security Details
		on land bearing R. S no. 54-A/1 paiki, C. S. no. 383 of village Wadi Wadi, dist, Vadodara. Property is owned by Maximus International Limited.  Co-Obligants (C) Guarantors (G) : Holding Company, Directors, promoters & their relatives.
<b>Note 2</b>	Repo rate + 6.35%, Subject to a maximum of 9.25%	<ul style="list-style-type: none"> <li>➤ Second Charge with existing credit facilities in terms of cashflows and security , with charge on assets financed under the Scheme.</li> <li>➤ Guarantee Cover by National Credit Guarantee Trustee Company Limited.</li> <li>➤ Co-Obligants (C) Guarantors (G) : Company, Holding Company, Directors, promoters &amp; their relatives.</li> </ul>

### Vehicle Loans

The company has entered into arrangements with ICICI Bank. The total amount outstanding as on March 31, 2021 was Rs 46.65 lakhs. The rate of interest for the vehicle loans varies from 8% to 9.5%.

## II. Quantum Lubricants (E.A) Limited

(₹ in lakhs)

Name of Lenders	Nature of the Facility	Sanction Letter Date	Amount Sanctioned	Amount outstanding as on March 31, 2021	Interest Rate	Security
Stanbic Bank Kenya Limited	Overdraft	July 3, 2020	20.10	12.58	Stanbic Prime Rate plus 3.968% p.a.	Note 1
	Invoice Discounting		468.98	491.31*		
	Term Loan		5.41	3.52		
	Vehicle and Asset Finance		16.81	14.26	Central Bank rate plus 4%	

\*The Bank has granted temporary facility of invoice discounting for additional amount of ₹ 23.85 Lakhs. The above figures are converted from KSH to INR using exchange rate as at 31<sup>st</sup> March 2021.

### Note 1 : Security

- a. The Bank Currently Holds the following security for the Borrowers Indebtness to the bank from time to time- A first Ranking of all assets Debentures for KES 20,000,000 , KES 20,000,000 and KES 18,000,000 created by the Borrower in favour of the Bank making the aggregate amount secured to be KES 58,000,000 (Kenya Shillings Fifty Eight Million).
- b. The Bank further requires a first ranking further second on all assets debentures for KES 15,000,000 created by the Borrower in favour of the Bank making the aggregate amount secured to be KES 73,000,000. (Kenyan Shillings Seventy three million)
- c. The Bank Currently Holds the following security for the Borrowers Indebtness to the bank - Personal Guarantee and indemnity for KES 63,000,000 by executive directors in favour of the Bank to cover the Borrower's Indebtness to the Bank supported by certified copies of the guarantors' national indemnity cards and/or passports. The Bank further requires, Personal Guarantee and indemnity for KES 10,000,000 making the aggregate amount secured to be KES 73,000,000. (Kenyan shillings seventy three million)

- d. Duly Executed Deed of subordination by minority shareholder subordinating their rights under all preference shares amounting to KES 136,250,000 (Kenyan Shillings One Hundred Thirty Six million two hundred and fifty thousand)
- e. Hire Purchase agreements executed between the Bank and the Borrower and lodgement with the bank of all the relevant log books to be jointly registered between the bank and the Borrower together with duly executed blank transfer forms for the assets financed under the Vehicle & Assets Finance Facility.
- f. The Bank requires a corporate guarantee and indemnity KES 73,000,000 (Kenyan Shillings Seventy three million) by Holding Companies.
- g. Letter of negative pledge

## B. Details of Unsecured Borrowings

### Maximus International Limited (MIL)

Maximus International Limited (MIL) has availed unsecured loans as on March 31, 2021 details of which are set out below:

(₹ in lakhs)

Name of Lender	Amount outstanding as on March 31, 2021	Interest Rate
Loan from Holding Company	9.74	8.5 % p.a.

For M/s. C N K & Associates, LLP,  
**Chartered Accountants**  
 (Firm Registration No. 101961W/W-100036)

**CA Pareen Shah**  
**Partner**  
 Membership No: 125011  
 Place: Vadodara

## **AUDITED STANDALONE FINANCIAL STATEMENTS**

In accordance with the SEBI ICDR Regulations, the standalone audited financial statements of the Company and its material subsidiaries for Fiscal 2019, 2020 and 2021 (Collectively, the “Audited Standalone Financial Statements”) are available on the website of the Company at [www.maximusinternational.in](http://www.maximusinternational.in). Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Standalone Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; (ii) the Red Herring Prospectus or (iii) the Prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Standalone Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company, its Subsidiaries or any entity in which its shareholders have significant influence (collectively, the “Group”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Standalone Financial Statements, or the opinions expressed therein.

## STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Equity Shares of our Company is listed on BSE. The Equity Shares being issued pursuant to this Issue have not been listed earlier and will be listed on the Stock Exchange pursuant to this Issue. For further details, see “*Issue Information*” on page no. 239 of this Draft Red Herring Prospectus. We have received in-principle approvals for listing of the Equity Shares to be issued pursuant to this Issue from BSE by letter dated [●].

For the purpose of this section, unless otherwise specified:

1. Year is a financial year;
  2. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
  3. High, low and average prices are based on the daily closing prices of the Equity Shares for the year, or the month, as the case may be; and
  4. In case of two days with the same high/low/closing price, the date with higher volume has been considered.
- I. The following table set forth the high, low and average market prices of the Equity Shares recorded on BSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded:

Year	High (Rs.)	Date of High	Volume on the date of high (No. of Equity Share)	Low (Rs.)	Date of Low	Volume on the date of low (No. of Equity Share)	Average price for the year / period (Rs.)
2021	144.95	March 10, 2021	20,335	63.65	May 5, 2020	448	102.54
2020	70.50	March 5, 2020	500	31.50	April 5, 2019	1,50,000	51.92
2019	60.50	January 17, 2019	3,000	26.10	March 26, 2019	6,000	43.60

Source: [www.bseindia.com](http://www.bseindia.com)

- II. The details relating to the monthly high and low prices and trading volumes on the Stock Exchange for the six months preceding the date of filing of this Draft Red Herring Prospectus:

Month	High (Rs.)	Date of High	Volume on the date of high (No. of Equity Share)	Low (Rs.)	Date of Low	Volume on the date of low (No. of Equity Share)	Average price for the year / period (Rs.)
July	105.10	July 30, 2021	87,298	93.75	July 13, 2021	703	97.93
June	99.20	June 07, 2021	81,787	90.75	June 29, 2021	69	95.66
May	105.25	May 21, 2021	33,389	80.00	May 5, 2021	39	93.55
April	115.30	April 1, 2021	21,836	75.35	April 26, 2021	16,677	89.42
March	144.95	March 10, 2021	20,335	116.25	March 30, 2021	38,853	131.99
February	128.30	February 9, 2021	94	120.00	February 18, 2021	35	124.84

Source: [www.bseindia.com](http://www.bseindia.com)

There were total 122 trading days from February 22, 2021 to August 20, 2021. The average volume of equity shares traded on BSE from February 22, 2021 to August 20, 2021 are 16897.

- III. The details relating to the weekend prices of Equity Shares along with the highest and lowest closing prices on the Stock Exchange for the last four weeks preceding the date of filing of this Draft Red Herring Prospectus is as stated below:

For the week ended on		Close (Rs.)	High (Rs.)	Low (Rs.)
Week 4	August 16, 2021 to August 20, 2021	96.75	98.85	96.75
Week 3	August 9, 2021 to August 13, 2021	101.00	101.00	97.80
Week 2	August 2, 2021 to August 6, 2021	119.40	119.40	102.10
Week 1	July 26, 2021 to July 30, 2021	105.10	105.10	98.00

Source: [www.bseindia.com](http://www.bseindia.com)

- IV. The closing market price of the Equity Shares of our Company one day prior to the date of this Draft Red Herring Prospectus i.e. August 20, 2021 was ₹ 96.75 on BSE. The Issue Price is ₹ [●] per Equity Share and has been arrived at by our Company in consultation with the BRLM.

Our Board has, pursuant to its resolution dated May 29, 2021 and August 13, 2021, authorized the Issue. The closing price of the Equity Shares on May 31, 2021 and August 16, 2021 (i.e. the next trading day after May 29, 2021 and August 13, 2021) on BSE was ₹ 98.15 and ₹ 98.15 respectively.

## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

- (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors, Promoters and Subsidiaries.

Our Board, in its meeting held on August 13, 2021, determined that outstanding legal proceedings involving the Company, its Directors, Promoters, Subsidiaries and Material Group Company: (a) where the aggregate amount involved, in such individual litigation exceeds 1% of the revenue from operations of our Company, on a consolidated basis, as per last audited financial statements, as per the Restated Consolidated Financial Statements; or (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 1% of the revenue from operations of the Company, on a consolidated basis, as per the last audited financial statements, as per the Restated Consolidated Financial Information, if similar litigations put together collectively exceed 1% of the revenue from operations of the Company, on a consolidated basis, as per the last audited financial statements, as per Restated Consolidated Financial Statements; or (c) litigations whose outcome could have a material impact on the business, operations, prospects or reputation of our Company, will be considered as material litigation (“**Material Litigation**”).

Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding 10% of the Company’s trade payables, on a consolidated basis, for the last audited financial statements as per the Restated Consolidated Financial Statements, as material dues for the Company. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds 10% of trade payables on consolidated basis as on March 31, 2021. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on August 13, 2021. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“**MSME**”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.

All terms defined in a particular litigation are for that particular litigation only.

#### LITIGATION INVOLVING OUR COMPANY

##### A. LITIGATION FILED AGAINST OUR COMPANY

###### 1. Litigation Involving Criminal Matters:

NIL

###### 2. Litigation Involving Actions by Statutory/Regulatory Authorities:

NIL

###### 3. Litigation involving Tax Liabilities

###### (i) Direct Tax Liabilities

NIL



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**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATIONS FILED BY OUR COMPANY**

**1. Litigation Involving Criminal Matters:**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities:**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**LITIGATIONS INVOLVING OUR DIRECTORS**

**A. LITIGATIONS FILED AGAINST THE DIRECTORS**

**1. Litigation involving Criminal Matters**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities:**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Tax Liabilities**

NIL

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**4. Other Pending Litigations:**

NIL

**B. LITIGATIONS FILED BY OUR DIRECTORS**

**1. Litigation involving Criminal Matters**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities:**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations:**

NIL

**LITIGATIONS INVOLVING OUR PROMOTERS**

**A. LITIGATIONS FILED AGAINST OUR PROMOTERS**

**1. Litigation involving Criminal Matters:**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Tax Liabilities**

NIL

**B. LITIGATIONS FILED BY OUR PROMOTERS**

**1. Litigation involving Criminal Matters:**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities:**

**(i) Direct Tax Liabilities**

Sr. No.	Types of Direct Tax	No. of Cases	Amount in dispute/demanded (in ₹million)
1.	Income Tax	1	9.17 <sup>(1)</sup>
2.	Income Tax	1	NIL <sup>(2)</sup>
3.	Income Tax	1	1.70 <sup>(3)</sup>
Total		3	10.87

<sup>(1)</sup> Our Promoter and holding company, Optimus Finance Limited (earlier known as Transpek Finance Limited) has preferred appeals against the Demand amounting to ₹ 34,24,442/- raised by the Income Tax Authority for Interest Tax in respect of the Assessment Year 1997-98. Optimus Finance Limited has made advances for the same amounting to ₹ 25,07,504/- in the earlier years and the same has been already charged to the profit and loss account of the earlier year. An application for rectification of the balance Demand amounting to ₹ 9,16,938/- has been made by Optimus Finance Limited (earlier known as Transpek Finance Limited) for rectifying the mistake in raising a demand by this amount.

<sup>(2)</sup> Our Promoter and holding company, Optimus Finance Limited (now known as Transpek Finance Limited) has preferred an appeal against the Assessment Order passed by the Income Tax Authority in respect of the Assessment Year 2008-2009. Whilst no Income Tax Demand has been raised by the Income Tax Authority, certain amounts were added back to the income of Optimus Finance Limited (now known as Transpek Finance Limited) and the same has been challenged.

<sup>(3)</sup> Our Promoter has challenged the Demand amounting to ₹ 170,415/- raised by the Income Tax Authority in respect of the Assessment Year 2013-2014.

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**LITIGATIONS INVOLVING OUR SUBSIDIARIES**

**A. LITIGATIONS FILED AGAINST OUR PROMOTERS**

**1. Litigation involving Criminal Matters:**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

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**(ii) Indirect Tax Liabilities**

NIL

**B. LITIGATIONS FILED BY OUR PROMOTERS**

**1. Litigation involving Criminal Matters:**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**Litigation proceedings involving our group companies**

Our Group Company are not party to any pending litigation which will have any material impact on our Company.

**Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Financial Years**

As on the date of this Draft Red Herring Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchange has been initiated against our Promoters in the last five Financial Years including any outstanding action.

**Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006**

As of March 31, 2021, there were no outstanding dues to a micro and small enterprise as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

**Material Creditors of the Company having amount outstanding as on March 31, 2021 being more than 10% of the Company's trade payables as per last audited consolidated financial statements of our Company.**

As of March 31, 2021, we had 80 creditors to whom a total amount amounting to ₹ 676.78 lakhs was outstanding out of which 2 creditors were material creditors in terms of the Materiality Policy and the total amount due to such material creditors was ₹ 221.68 lakhs.

**For further details, please see website at: [//www.maximusinternational.in/](http://www.maximusinternational.in/)**

*Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.*

**Material developments occurring after last balance sheet date**

Except as disclosed elsewhere in this Draft Red Herring Prospectus and in the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 194, there have been no material developments since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus.

## GOVERNMENT AND OTHER KEY APPROVALS

*We have obtained all material consents, licenses, permissions, registrations and approvals from various governmental, statutory and regulatory authorities, which are necessary for undertaking our current business activities and operations, except as disclosed below. The disclosure below is indicative and no further material approvals are required for carrying on the present business operations of our Company. Unless otherwise stated, these material approvals are valid as on the date of this Draft Red Herring Prospectus.*

*We have also disclosed below (i) the material approvals applied for, including renewal applications made, but not received; (ii) the material approvals which have expired and renewal for which are yet to be applied for; and (iii) the material approvals which are required but not obtained or applied for.*

*For details in connection with the regulatory and legal framework within which our Company operates, see “Key Regulations and Policies” on page no. 102 of this Draft Red Herring Prospectus. For Issue related approvals, see “Other Regulatory and Statutory Disclosures” on page no. 230 of this Draft Red Herring Prospectus and for incorporation details of our Company and our Material Subsidiaries, see “History and Certain Corporate Matters” on page no. 108 of this Draft Red Herring Prospectus.*

### **I. Material approvals in relation to the operations of our Company**

#### *Business and operations related approvals*

1. Fire NOC from the relevant fire department;
2. Intimation to the relevant state labour department under the shops and establishments act of the relevant state where our Company operates its establishment;
3. Registration as employer and enrollment certificate under the relevant state professions, trade, calling and employment legislation for payment of professional tax in which our establishment is located;
4. Certificate of Importer-Exporter Code issued by the office of the Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India, under the Foreign Trade (Development and Regulation) Act, 1992, to enable our Company to carry out its export and import operations; and
5. Udyog Aadhaar Memorandum (UDYAM) Registration.

#### *Tax related approvals*

1. Permanent account number issued by the Income Tax Department under the Income Tax Act, 1961.
2. Tax deduction account number issued by the Income Tax Department under the Income Tax Act, 1961.
3. Goods and services tax registrations issued by the GoI under the Goods and Service Tax Act, 2017.

In addition to the approvals mentioned above, we have obtained ISO certification inter-alia certifying that the Company has been found to be in compliance with the requirements of International Standards in respect of worldwide trading for lubricants, base oil, additives and other chemicals relevant to lubricant industries.

### **II. Material approvals relating to our Material Subsidiaries:**

#### **A. Maximus Global FZE:**

1. Membership Registration Certificate issued by the Sharjah Chamber of Commerce and Industry;
2. License for import/export/trading of bitumen, lubricants & grease, petrochemicals, chemicals and agro products issued by the Hamriyah Free Zone Authority, Government of Sharjah.
3. Certificate of Registration for Value Added Tax in the United Arab Emirates issued by the Federal Tax Authority, United Arab Emirates.

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**B. Maximus Lubricants LLC:**

1. Industrial License for Oil Based Lubricating Oils or Greases Manufacturing issued by the Department of Economic Development, Government of Ras Al Khaimah;
2. Industrial License for Oil Based Lubricating Oils or Greases Manufacturing issued by the Ras Al Kahimah Economic Zone, Government of Ras Al Khaimah;
3. Certificate of Registration for Value Added Tax in the United Arab Emirates issued by the Federal Tax Authority, United Arab Emirates;
4. Environmental Permit for Manufacture of refined petroleum products issued by the Environment Protection and Development Authority, Government of Ras Al Khaimah.

**C. Quantum Lubricants (E.A.) Limited:**

1. Registration with the Kenya Revenue Authority for payment of Income Tax, Value Added Tax, PAYE and Withholding Taxes;
2. Certificate of Registration of Workplace for Lubricant Blending Plant by Director of Occupational Safety and Health Services, Republic of Kenya;
3. Health Clearance Certificate for manufacturing of lubricants by Department of Health and Emergency Services;
4. Single Business Permit for light manufacturing of lubricants by the County Government of Machakos;
5. Registration with the National Social Security Fund (NSSF) in order to make NSSF contributions; and
6. Registration with the National Hospital Insurance Fund (NHIF) in order to make NHIF contributions.

**Material approvals applied for, but not received**

Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business have elapsed in their normal course and our Company has either made an application to the relevant Central Government or state government authorities for renewal of such material consents, licenses, registrations, permissions and approvals or is in the process of making such applications. The material consents, licenses, registrations, permissions and approvals for which applications have been made by our Company including:

1. Application dated August 5, 2021 bearing No. LUB/TRADING/2021/772 for obtaining the lubricating trading license, as per the provisions of the Lubricating Oils and Greases (Processing Supply & Distribution Regulation) Order, 1987.

**Material approvals not applied for:**

Except as stated below, there are no material consents, licenses, registrations, permissions and approvals for which applications are yet to be made by our Company and our Material Subsidiaries:

**Intellectual Property**

NIL

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## SECTION IX – OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue has been authorized by a resolution of our Board dated May 29, 2021 and August 13, 2021 and by a special resolution of our Shareholders, dated July 20, 2021.

The Board of Directors have approved this Draft Red Herring Prospectus on August 23, 2021.

Our Company has received in-principle approvals from the BSE for the listing of the Equity Shares pursuant to letter dated [●].

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors and the members of the Promoter Group, have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of the Promoter Group, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

### Directors associated with the securities market

None of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against the Directors of our Company in the past five years preceding the date of this Draft Red Herring Prospectus.

### Eligibility for the Issue

Our Company is eligible for this Issue in accordance with the SEBI ICDR Regulations.

This Issue is being made through the Book Building Process in accordance with Regulation 129(1) of the SEBI ICDR Regulations where in 50% (i.e not less than 15%) of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and 50% (i.e not less than 35%) of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations shall be available for allocation.

Our Company confirms that it is in compliance with the conditions specified in Regulation 104 of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 102 of the SEBI ICDR Regulations, to the extent applicable, as is set out below:

- a. Our Company, its Promoters, Directors, or the members of the Promoter Group are not debarred from accessing the capital markets by the SEBI.
- b. None of our Promoter or our Directors are promoter or directors of companies which are debarred from accessing the capital markets by the SEBI.
- c. Neither our Company or our Promoters nor our Directors are wilful defaulters.



- d. None of our Promoters or our Directors has been declared a fugitive economic offender (in accordance with the Fugitive Economic Offenders Act, 2018).

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLM ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 23, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

#### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

#### **Disclaimer from our Company, our Directors, and the BRLM**

Our Company, our Directors, and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, [www.maximusinternational.in](http://www.maximusinternational.in), or the website of any affiliate of our Company, would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriters and their respective directors, officers, agents, affiliates, employees, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, and their respective group company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **Disclaimer in respect of jurisdiction**

Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus in India. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer in Respect of the U.S. Securities Act**

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.**

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

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

### **Listing**

Application have been made to the Stock Exchange for permission to deal in and for an official quotation of the Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchange, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Issue within six Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

### **Consents**

Consents in writing of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditor, Legal Advisor, Bankers to our Company, the BRLM and the Registrar to the Issue have been obtained; and consents in writing of the Underwriter, Syndicate Members, Banker to the Issue and Sponsor Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of filing of the Red Herring Prospectus with the RoC.

### **Expert to the Issue**

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

Our Company has received written consent from the Statutory Auditor namely, M/s. CNK & Associates LLP, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this DRHP, and as an “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Statement of Tax Benefits dated August 21, 2021, and on the Restated Consolidated Financial Statements dated August 13, 2021 and issued by them, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

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

## Particulars regarding public or rights issues during the last five years and performance vis-à-vis objects

### Our Company

The equity shares of our Company are listed on BSE Limited.

We have made public issue in the year 2017 on SME platform of BSE Limited and post that became a “Listed Issuer” in terms of the SEBI (ICDR) Regulations. In July 2019, our Company shares were migrated to be traded on Main Board of BSE Limited. This Issue is a “Further Public Offering” in terms of the SEBI (ICDR) Regulations on BSE Limited.

The Company has made the following public issues in the five years preceding the date of this Draft Red Herring Prospectus:

Sr. No.	Closing Date	Date of Allotment	Date of Refund	Date of Listing on the designated stock exchange	Issue at Premium or discount	Amount of Premium
1.	March 22, 2017	March 27, 2017	March 29, 2017	March 30, 2017	Premium	15

The total proceeds from the Initial Public issue of Equity Shares aggregated approximately ₹ 376.50 Lakhs. The issue opened on March 17, 2017 and closed on March 22, 2017. The proceeds of the issue were applied towards the objects of the issue as stated in the Prospectus dated March 06, 2017 viz. (i) to fund long term working capital requirement; (ii) to fund general corporate expenses and (v) for issue expenses.

There were no deviations from the objects on which the issue proceeds were utilized.

### Listed Promoter/ Subsidiaries

Our Promoter is listed on BSE Limited and have not made any public or right issue during the last five years. None of our Subsidiaries are listed on any stock exchanges in India or abroad.

### Underwriting commission, brokerage and selling commission paid on previous issues of the Equity Shares

Our Company listed its shares on March 30, 2017. Our Company confirms all requisite commissions and brokerage are duly paid for the previous IPO.

### Capital issue during the previous three years for otherwise than cash

Except as stated in “*Capital Structure*” beginning on page no. 50 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than for cash.

### Capital issue during the previous three years by listed group companies, subsidiaries or associates of our Company.

None of our Group Company, Subsidiaries are listed on any Stock Exchange in India or abroad. As on the date of this Draft Red Herring Prospectus, we do not have any associates.

**Price information of past issues handled by the Book Running Lead Manager (during the current Fiscal and two Fiscals preceding the current Fiscal)**

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
1	Gretex Corporate Services Ltd.	5.13	170.00	09/08/2021	172.00	N.A	N.A	N.A	N.A	N.A	N.A
2	Times Green Energy (India) Ltd.	4.05	61.00	30/06/2021	61.40	0.08%	0.20%	N.A	N.A	N.A	N.A
3	Adeshwar Meditex Ltd.	9.75	25.00	28/06/2021	25.25	0.20%	-0.55%	N.A	N.A	N.A	N.A
4	Pavna Industries Ltd.	29.70	165.00	09/03/2021	165.60	0.06%	-1.49%	1.21%	4.33%	N.A	N.A
5	Net Pix Shorts Digital Media Ltd.	2.70	30.00	02/12/2020	30.15	0.83%	7.29%	0.17%	12.73%	14.50%	8.80%
6	Atal Realtech Ltd.	10.83	72.00	15/10/2020	70.20	-31.94%	9.42%	-53.19%	24.70%	-51.94%	24.18%
7	Nirmitee Robotics India Ltd.	3.24	185.00	21/04/2020	189.00	19.46%	0.97%	35.14%	22.14%	79.86%	30.51%
8	Valencia Nutrition Ltd.	7.23	46.00	06/01/2020	46.45	0.00%	1.15%	0.00%	-32.17%	-2.17%	-11.44%
9	Vishwaraj Sugar Industries Ltd	60.00	60.00	15/10/2019	61.20	10.38%	5.58%	50.33%	8.71%	9.75%	-19.08%
10	Galactico Corporate Services Ltd	3.70	23.00	09/10/2019	23.20	0.00%	6.48%	6.96%	7.05%	-0.87%	-27.73%

**Summary Statement of Disclosure**

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	3	18.93	0	0	0	0	0	2	0	0	0	0	0	0
2020-21	4	46.47	0	1	0	0	0	3	1	0	0	1	0	1
2019-20	7 <sup>(1)</sup>	103.47	0	0	1	0	0	4	0	1	2	0	0	4
2018-19	14	327.66	0	1	1	0	1	9	1	0	2	1	1	9

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<sup>(1)</sup>As on the 30th Calendar day from the listing day, the price of Galactico Corporate Services Ltd. and on 30th and 90th Calendar day from the listing day, the price of Valencia Nutrition Ltd., is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

**Notes:**

- <sup>(1)</sup> Since the listing dates of Gretex Corporate Services Limited was August 09, 2021 information related to closing price and benchmark index as on the 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> Calendar day from the listing date is not available.
- <sup>(2)</sup> Since the listing dates of Times Green Energy (India) Limited and Adeshwar Meditex Limited was June 30, 2021 and June 28, 2021 information related to closing price and benchmark index as on the 90<sup>th</sup> and 180<sup>th</sup> Calendar day from the listing date is not available.
- <sup>(3)</sup> Since the listing dates of Pavna Industries Limited was March 09, 2021, information related to closing price and benchmark index as on the 180<sup>th</sup> Calendar day from the listing date is not available.
- <sup>(4)</sup> The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.
- <sup>(5)</sup> In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
- <sup>(6)</sup> Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) BSE Sensex and Nifty Fifty as the Benchmark Indices

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### **Track record of past issues handled by the Book Running Lead Manager**

For details regarding the track record of the Book Running Lead Manager, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012, issued by SEBI, please see the website of the Book Running Lead Manager [www.afsl.co.in](http://www.afsl.co.in)

### **Stock Market Data of Equity Shares**

For details see “*Stock Market Data for Equity Shares of our Company*” on page no. 220 of this Draft Red Herring Prospectus.

### **Mechanism for Redressal of Investor Grievances in the Issue**

The agreement between the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three years w.r.t. maintaining a complete and accurate record of any grievances received and dealt with.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with their obligations under applicable SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹ 100 per day or 15% per annum of the application amount for the period of such delay.

The Company has obtained authentication on the SCORES and comply with the SEBI circular no.CIR/OIAE/1/2013 dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders’ Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares.

### **Disposal of Investor Grievances by our Company**

We comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints. For details of our Stakeholders Relationship Committee, please see “*Our Management*” beginning on page no. 112 of this Draft Red Herring Prospectus.

Our Company has also appointed Ms. Dharati Shah as Company Secretary and Compliance Officer. For details, see “*General Information – Company Secretary and Compliance Officer*” on page no. 45 of this Draft Red Herring Prospectus.

Our Company has not received any investor complaints during the three financial years preceding the date of this Draft Red Herring Prospectus. As on the filing of this Draft Red Herring Prospectus, no investor complaints are pending.

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.



## SECTION X – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, the SCRA, the SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, any Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the GoI, the Stock Exchanges, the RoC or any other authority while granting its approval for the Issue.*

#### **The Issue**

The Issue is by way of a fresh issue of Equity Shares by our Company.

#### **Issue expenses**

The expenses of the Issue include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal expenses, statutory advertisement, expenses, registrar and depository fees and listing fees. The Issue related expenses shall be borne by our Company. For details, see “*Objects of the Issue*” beginning on page no. 59 of this Draft Red Herring Prospectus.

#### **Ranking of Equity Shares**

The Equity Shares being offered pursuant to the Issue will be subject to the provisions of the Companies Act, the SEBI Listing Regulations, the MoA and the AoA and will rank pari passu in all respects with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company, after the date of Allotment. For more information, see “*Main Provisions of Articles of Association*” on page no. 265 of this Draft Red Herring Prospectus.

#### **Mode of Payment of Dividend**

Our Company shall pay dividend, if declared, to our Shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our MoA and the AoA, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared, after the date of Allotment in this Issue, will be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable law. For more information, see “*Dividend Policy*” and “*Main Provisions of Articles of Association*” on page nos. 138 and 265, respectively of this Draft Red Herring Prospectus.

#### **Face Value, Issue Price and Price Band**

The face value of each Equity Share is ₹ 10. The Floor Price of the Equity Shares is ₹ [●] and the Cap Price of the Equity Shares is ₹ [●]. The Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will be advertised, at least one Working Days prior to the Bid/ Issue Opening Date, in all edition of [●] (a widely circulated English national daily newspaper), in all editions of [●] (a widely circulated Hindi national daily newspaper) and in Vadodara edition of [●] (a widely circulated Gujarati newspaper, Gujarati also being the regional language of Gujarat where the Registered is located) each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid cum Application Forms available at the website of the Stock Exchange.

The Issue Price shall be determined by our Board of Directors, in consultation with the BRLM prior to filing of Prospectus with RoC. Additionally, Bidders may be guided in the meantime by the secondary market prices.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **Compliance with disclosure and accounting norms**

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- a. Right to receive dividends, if declared;
- b. Right to attend general meetings and exercise voting rights, unless prohibited by law;
- c. Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- d. Right to receive offers for rights shares and be allotted bonus shares, if announced;
- e. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- f. Right of free transferability of the Equity Shares, subject to applicable laws, including any RBI rules and regulations; and
- g. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Main Provisions of Articles of Association*” beginning on page no. 265 of this Draft Red Herring Prospectus.

#### **Period of operation of subscription list**

See “*Terms of the Issue – Bid / Issue Programme*” on page no. 242 of this Draft Red Herring Prospectus.

#### **Allotment only in Dematerialised Form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- 1) Tripartite agreement dated January 13, 2017 between our Company, NSDL and the Registrar to the Issue.
- 2) Tripartite agreement dated January 19, 2017 between our Company, CDSL and the Registrar to the Issue.

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## Market Lot and Trading Lot

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see “*Issue Procedure*” on page no. 247 of this Draft Red Herring Prospectus.

## Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

## Jurisdiction

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Issue.

## Nomination facility to investors

In accordance with Section 72 of the Companies Act read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

## Withdrawal of the Issue

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank, in case of RIBs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is

filed with the RoC. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with SEBI and the Stock Exchange.

## ISSUE PROGRAMME

BID / ISSUE OPENS ON	[●]
BID / ISSUE CLOSES ON	[●]

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid / Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of refunds (if any) / unblocking of funds from ASBA Account	On or before [●] <sup>(1)</sup>
Credit of the Equity Shares to depository accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or before [●]

<sup>(1)</sup> In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The above time-table is indicative in nature and does not constitute any obligation or liability on our Company or the Members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by SEBI, the timetable may be subject to change for various reasons, including extension of Bid/Issue Period by our Company due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange in accordance with applicable law.

In terms of the UPI Circulars, in relation to the Issue, the BRLM will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post-issue timeline for Public Issues. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the issue procedure is subject to change basis any revised SEBI circulars to this effect.

Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Issue Period at the Bidding Centres, except that on the Bid/Issue Closing Date, Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) for Bids by Non-Institutional Investors; and (ii) 5.00 p.m. or such extended time as permitted by the Stock Exchanges (Indian Standard Time) in case of Bids by Retail Individual Bidders. On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchanges.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the bid closure time from the Issue Opening Date till the Issue Closing Date by obtaining such information from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit a confirmation in respect thereof to the BRLM and the Registrar to the Issue on a daily basis.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids and any revision in Bids will be accepted only during Working Days, during the Bid/Issue Period.

None amongst our Company or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company in consultation with the BRLM reserve the right to revise the Price Band during the Bid/issue Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment. The Floor Price shall not be less than the face value of the Equity Shares.

**In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, the Company may in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of Price Band, the Bid Lot shall remain the same.**

### **Minimum Subscription**

In the event our Company does not receive a minimum subscription of 90% of the Issue, including through devolvement to the Underwriters, as applicable; or if the subscription level falls below 90% after the closure of Issue on account of withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund the entire subscription amount received no later than four days from the Bid / Issue Closing Date. If there is a delay in such refund beyond four days after our Company becomes liable to pay the amount, our Company and every Director of our Company who is an officer in default, shall pay interest at the rate of 15% p.a.

In accordance with Regulation 145(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

### **Arrangements for Disposal of Odd Lots**

Since the Equity Shares will be treated in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

### **New Financial Instruments**

As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Issue.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue capital held by our Promoter as detailed in “*Capital Structure*” on page no. 50 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association as detailed in “*Main Provisions of the Articles of Association*” on page no. 265 of this Draft Red Herring Prospectus, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting.

## ISSUE STRUCTURE

Further public offering of up to [●] Equity Shares, at an Issue Price of ₹ [●] per Equity Share for cash, including a premium of ₹ [●] per Equity Share, aggregating up to ₹ 2,700 Lakhs by our Company. The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

The Issue is being made through the Book Building Process:

Particulars	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation*	[●] Equity Shares available for allocation or offer less allocation to Retail Individual Bidders.	[●] Equity Shares available for allocation or offer less allocation to Non-Institutional Bidders
Percentage of Issue Size available for Allotment/ allocation	50% of the Issue or the Issue less allocation to Retail Individual Bidders.	50% of the Issue or the Issue less allocation to Non-Institutional Bidders
Basis of Allotment/allocation if respective category is oversubscribed <sup>*(1)</sup>	Proportionate	Proportionate, subject to minimum bid lot. The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, "Issue Procedure" on page 247 of this Draft Red Herring Prospectus
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialized form.	
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	
Allotment Lot	A minimum of [●] Equity Shares and in multiples of [●] Equity Shares	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share, subject to availability in the Retail Portion.
Trading Lot	One Equity Share	
Who can Apply <sup>(2)</sup>	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals and FPIs who are individuals, corporate bodies, family offices, Public Financial Institutions, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, Mutual Funds, Eligible FPIs, VCFs, AIFs, FVCIs, State Industrial Development Corporation, Insurance Company, National Investment Funds, Provident Funds, Pension Funds, etc.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	Non-Institutional Bidders	Retail Individual Bidders
Term of Payment <sup>(3)</sup>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Bank through the UPI Mechanism (in case of RIBs), that is specified in the ASBA Form at the time of submission of the ASBA Form.	
Mode of Bidding	Only through the ASBA process	

\* Assuming full subscription in the Issue

- (1) Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Regulation 129(1) of the SEBI ICDR Regulations and through a Book Building process wherein 50% (not less than 15%) of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and 50% (not less than 35%) of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders shall only participate in the Issue through the Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details of their respective bank account which will be blocked by the SCSBs. For details, see “Issue Procedure” on page no. 247 of this Draft Red Herring Prospectus.
- Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis.
- (2) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.
- (3) In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the Bid cum Application Form. Further as per SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Bidders may also apply through Unified Payments Interface (“UPI”).

The Bids by FPIs with certain structures as described under “Issue Procedure - Bids by FPIs” on page no. 252 of this Draft Red Herring Prospectus and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.



## ISSUE PROCEEDURE

All Bidders should read the 'General Information Document for Investing in Public Issues' prepared and issued in accordance with the circulars issued by the SEBI, including circular CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, the circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular SEBI/HO/CFD/DIL2/CIR/P/2019/133 dated November 8, 2019 and the circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 ("General Information Document"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by Retail Individual Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) issue price and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("UPI Phase I"). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"). Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as PER sebi circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("UPI Phase III"), as may be prescribed by SEBI. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus.

Our Company, the BRLM and the Members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be

held by them under applicable law or as specified in this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

Further, the Company and the BRLM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

### **Book Building Procedure**

The Issue is being made through the Book Building Process in accordance with Regulation 129(1) of the SEBI ICDR Regulations, wherein 50% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and 50% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of the Exchange, in consultation with the BRLM and the Designated Stock Exchange, subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchange.

**Bidders should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN and UPI ID (for RIB Bidders bidding using the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

### **Phased implementation of Unified Payments Interface**

SEBI has issued circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

The Issue will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circular, the same will be advertised in all edition of [●] (a widely circulated English national daily newspaper), in all editions of [●] (a

widely circulated Hindi national daily newspaper) and in Vadodara edition of [●] (a widely circulated Gujarati newspaper, Gujarati also being the regional language of Gujarat where the Registered is located) on or prior to the Bid/Issue Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their respective websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders using the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

### **Electronic registration of Bids**

- a. The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Issue.
- b. On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 p.m. IST on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **Bid cum Application Form**

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered Office of our Company. An electronic copy of the Bid cum Application Forms will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. All Bidders must provide bank account details and authorisation by the ASBA bank account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such detail are liable to be rejected. Further, Retail Individual Bidders using the UPI Mechanism must provide their UPI ID in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Applications made by Retail Individual Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection. The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Issue for purpose of reconciliation.

RIBs Bidding through the Designated Intermediaries can only Bid using the UPI Mechanism.

RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only the UPI ID is mentioned in the relevant space provided in the Bid cum Application Form. ASBA Forms submitted by RIBs to Designated Intermediary (other than SCSBs) with ASBA Account details in the relevant space provided in the Bid cum Application Form, are liable to be rejected.

Further, such Bidders shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of the relevant Designated Intermediary (except in case of electronic Bid cum-Application Forms) and Bid cum Application Forms (except electronic Bid-cum-Application Forms) not bearing such specified stamp may be liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a RIB who is not Bidding using the

UPI Mechanism. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form <sup>(1)</sup>
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
FPIs applying on a repatriation basis	Blue

<sup>(1)</sup> excluding electronic Bid cum Application Form

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form (except the Bid cum Application Form from a RIB bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For RIBs using UPI Mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Bankers to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Issue. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analyzing the same and fixing liability.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date (“Cut-Off Time”). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

### **Who can Bid?**

In addition to the category of Bidders set forth in the *General Information Document*, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- Scientific and/or industrial research organizations in India, which are authorised to invest in equity shares; and
- Any other person eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

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

**Participation by Promoter, Promoter Group, BRLM, associates and affiliates of the BRLM, the Syndicate Members, persons related to Promoter and Promoter Group**

The BRLM and the Syndicate Member(s) shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and the Syndicate Member(s) may subscribe to or purchase Equity Shares in the Issue, in the Non Institutional Portion. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLM and Syndicate Member(s), shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The Promoter and members of the Promoter Group will not participate in the Issue.

**Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

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 scheme. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

**Bids by HUFs**

Bids by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or First Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

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## **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB or should confirm/accept the UPI Mandate Request (in case of RIBs using the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts or Foreign Currency Non-Resident (“FCNR”) accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their SCSB or should confirm/accept the UPI Mandate Request (in case of RIBs Bidding using the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

NRIs applying in the Issue through UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI-linked prior to making such application

For details of investment by NRIs, see “*Restrictions in Foreign Ownership of Indian Securities*” on page no. 264 of this Draft Red Herring Prospectus. Participation of eligible NRIs shall be subject to NDI Rules

## **Bids by FPIs**

An entity, registered as a FPI pursuant to SEBI FPI Regulations, is permitted to invest in Indian securities as a person resident outside India in accordance with provisions of SEBI FPI Regulations and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“FEMA Rules”). In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than fifty per cent or common control, shall be treated as part of the same investor group and the investment limits of all such entities shall be clubbed at the investment limit as applicable to a single FPI) must be below 10% of the post-issue equity share capital of a company on a fully diluted basis. The total investment under SEBI FPI Regulations by a FPI including its investor group shall not exceed the threshold of below ten per cent of the total paid up equity capital in a listed or to be listed company on a fully diluted basis. The FPIs investing in breach of the prescribed limit will have the option of divesting their holdings within 5 trading days from the date of settlement of the trades causing the breach. In case the FPI chooses not to divest, then the entire investment in the company by such FPI and its investor group shall be considered as investment under Foreign Direct Investment (FDI) and the FPI and its investor group shall not make further portfolio investment in the company concerned, and accordingly be subject to additional compliances and reporting requirements under applicable FEMA Rules.

Further, the total holdings of all FPIs put together i) up till March 31, 2020, shall not exceed 24% of the paid-up equity share capital of a company, provided that the aggregate limit of 24% may be increased by the company up to the sectoral cap with the approval of its board of directors and its shareholders through a resolution and special resolution respectively, and ii) with effect from April 1, 2020, can be up till the sectoral cap applicable to the sector in which our Company operates. The aggregate limit may be decreased below the sectoral cap to a threshold limit of 24% or 49% or 74% (“Threshold”) as deemed fit by way of a resolution passed by our Board followed by a special resolution passed by the Shareholders of our Company. Further, the company which has decreased its aggregate limit to Threshold may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling in accordance with FEMA Rules. However, once the aggregate limit has been increased to a higher threshold, it cannot be decreased. In terms of FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investment, if necessary, will be increased by way of a resolution of Board of Directors subject to the approval of the Shareholders of the Company in the general meeting. For details of restrictions on investment by FPIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page no. 264 of this Draft Red Herring Prospectus.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

Aggregate foreign portfolio investment up to 49% of the paid-up capital on a fully diluted basis or the sectoral or statutory cap, whichever is lower, shall not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India and other investments by a person resident outside India shall be subject to the conditions of Government approval and compliance of sectoral conditions as laid down in FEMA Rules.

**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.**

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to a public offering.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to a public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

**There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.**

**All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, and net of bank charges and commission.**

**Our Company and the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

#### **Bids by Limited Liability Partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

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### **Bids by Banking Companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLM reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by systemically important non-banking financial companies registered with RBI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such for such applications

### **Bids by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDAI Investment Regulations") are set forth below:

- equity shares of a company: the lower of 10%\* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;



- the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- the industry sector in which the investee company operates not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time including the IRDAI Investment Regulations.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable laws) and pension funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLM, may deem fit.

### **Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid, without assigning any reason thereof.

**The above information is given for the benefit of the Bidders. Our Company and the Members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Draft Red Herring Prospectus.**

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

### **Information for Bidders**

In addition to the instructions provided to Bidders in the *General Information Document for Investing in Public Issues*, Bidders are requested to note the following additional information in relation to the Issue.

1. The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip (“**Acknowledgement Slip**”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder’s responsibility to obtain the acknowledgment slips from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.
2. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
3. In the event of an upward revision in the Price Band, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e., the original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.
4. In the event of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.
5. Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, the Exchange will, after registering the Red Herring Prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all edition of [●] (a widely circulated English national daily newspaper), in all editions of [●] (a widely circulated Hindi national daily newspaper) and in Vadodara edition of [●] (a widely circulated Gujarati newspaper, Gujarati also being the regional language of Gujarat where the Registered is located). Our Company shall, in the pre-Issue advertisement state the Bid/ Issue Opening Date, the Bid/ Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

### **Signing of Underwriting Agreement and filing of Prospectus with the RoC**

- a. Our Company and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Issue Price, which shall be a date prior to the filing of Prospectus.
- b. After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

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## GENERAL INSTRUCTIONS

Please note that Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/ Issue Period and withdraw their Bid(s) until Bid/ Issue Closing Date.

### Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Bidders should submit their bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. Retail Individual Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Bidders using the UPI Mechanism) to make an application in the Issue. Retail Individual Bidders using the UPI Mechanism shall ensure that the bank with which they have their bank account where the funds equivalent to the Bid Amount are available for blocking, is UPI 2.0 certified by NPCI;
7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all Bidders other than Retail Individual Bidders, bidding using the UPI Mechanism);
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
11. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the

IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
15. Ensure that the correct investor category and the investor status is indicated in the Bid cum Application Form;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
18. Since the allotment will be in dematerialised form only, ensure that the Bidder’s depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;
19. In case of ASBA Bidders (other than Retail Individual Bidders using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
20. Once the Sponsor Bank issues the UPI Mandate Request, the Retail Individual Bidders would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request, including in case of any revision of Bids;
21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
22. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
23. Retail Individual Bidders using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Individual Bidder shall be deemed to have verified the attachment containing the application details of the Retail Individual Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount specified in the Bid cum Application Form;
24. Retail Individual Bidders bidding using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Bid cum Application Form;

25. Retail Individual Bidders using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
26. Ensure that the Demographic Details are updated, true and correct in all respects;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 2,00,000 (for Bids by Retail Individual Bidders);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
9. If you are a Retail Individual Bidder and are using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
10. If you are a Retail Individual Bidder and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
11. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
12. Do not submit the General Index Register (GIR) number instead of the PAN;
13. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
17. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;

18. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are Non-Institutional Bidder. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids on or before the Bid/Issue Closing Date;
19. Do not Bid for shares more than specified by respective Stock Exchanges for each category;
20. Do not Bid on another Bid cum Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
21. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations. If you are a Retail Individual Bidder and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs;
22. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website are liable to be rejected;
23. Do not submit the Bid cum Application Forms to any non-SCSB bank; and
24. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by RIB Bidder using the UPI Mechanism).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “*General Information*” on page no. 44 of this Draft Red Herring Prospectus. For helpline details of the Managers pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information – BRLM*” on page no. 45 of this Draft Red Herring Prospectus.

### **Grounds for Technical Rejections**

In addition to the grounds for rejection of Bids on technical grounds as provided in the “*General Information Document for Investing in Public Issues – Issue Procedure in Book Built Issue – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*” Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account or UPI ID (for RIBs using the UPI Mechanism) details in the ASBA Form;
3. Bids submitted on plain paper;
4. Bids submitted by Retail Individual Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI linked Mechanism submitted by Retail Individual Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash;
14. Bids uploaded by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Issue Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid/Issue Closing Date, unless extended by the Stock Exchanges; and
15. Bids by OCBs.

#### **Issuance of a Confirmation of Allocation Note ("CAN") and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Book Running Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar to the Issue, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any Allotment in excess of the Equity Shares through the Offer Document except in case of over-subscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon over-subscription, an allotment of not more than one per cent of the Issue may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

#### **Communications**

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue, quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the SCSB / Designated Intermediary, where the Bid was submitted and bank account number in which the amount

equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Issue, in case of any Pre-Issue or Post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, unblocking of funds, etc.

### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who:*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 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 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50 lakhs or with both.

### **Undertakings by our Company**

Our Company undertakes the following:

1. That if our Company does not proceed with the Issue after the Bid/Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
2. That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
3. That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed;
4. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within the time prescribed under applicable law, from the Bid/Issue Closing Date, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
5. That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;



6. That the Promoters' contribution in full, if applicable, shall be brought in advance before the Issue opens for subscription
7. That funds required for making refunds to unsuccessful applicants as per mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;
8. No further Issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;
9. That if our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document with the SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
11. That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;
12. That adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders; and
13. That our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges.

#### **Utilisation of Net proceeds**

Our Company specifically confirms and declares that:

1. all monies received out of Issue of specified securities to public shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;
2. details of all monies utilised out of the Issue referred to in sub-item(i) shall be disclosed and continue to be disclosed till the time any part of the Fresh Issue proceeds remains un-utilised under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilised; and
3. details of all un-utilised monies out of the Fresh Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the issuer indicating the form in which such un-utilised monies have been invested.

#### **Withdrawal of the Issue**

For details, see “*Terms of the Issue - Withdrawal of the Issue*” on page no. 241 of this Draft Red Herring Prospectus.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 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. 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 of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), 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 of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP issued the Consolidated Foreign Direct Investment Policy notified by the D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017, with effect from August 28, 2017 (the “**FDI Policy**”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect prior to August 28, 2017. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DIPP issues an updated circular.

Amidst the current pandemic caused by Covid-19, the Government of India has amended the extant FDI Policy, vide Press Note No. 3(2020 Series). The said amendment has also been made in the Foreign Exchange Management (Non debt Instrument) Rules, 2019. As per the aforesaid amendment a non-resident entity can invest in India, subject to the FDI Policy except in those sectors/activities which are prohibited. However, an entity 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, can invest only under the Government route. Further, in the event of the transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within this restriction/purview, such subsequent change in beneficial ownership will also require Government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI and (iv) documentation, reporting requirements and other conditions as may be specified by the RBI in consultation with the Central Government, are adhered for such transfers.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are not in violation of laws or regulations applicable to them.**

## SECTION XI – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association.

Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

3. Except as provided by Section 67, no part of funds of the Company shall be employed in the purchase of the shares of the Company, and the Company shall not directly or indirectly and whether by shares, or loans, give, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company
4. The Authorized Share Capital of the Company shall be as prescribed in Clause V of the Memorandum of Association of the Company.
5. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.

Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.

6. The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.
7. The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:
  - I. (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
  - (b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
  - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in

clause (b) shall contain a statement of this right.

- d) After the expiry of the time specified in the notice aforesaid, or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.

II. The Directors may, with the sanction of the Company in General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.

III. Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by:

(a) A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and

(b) The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.

8. (1) The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.

(2) To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.

#### **Issue of further shares with disproportionate rights**

9. Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking pari passu therewith.

#### **Not to issue shares with disproportionate rights**

10. The Company shall not issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares.

#### **Power to pay commission**

11. The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.

#### **Liability of joint holders of shares**

12. The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.

### **Trust not recognized**

13. Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

### **Issue other than for cash**

14. (a) The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.
- (b) As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.

### **Acceptance of shares**

15. An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.

### **Member' Right to Share Certificates**

16. (1) Every person whose name is entered as a member in the Register shall be entitled to receive without payment:
- a. One certificate for all his shares; or
  - b. Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.
- (2) The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.
- (3) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (4) The certificate of title to shares and duplicates thereof when necessary shall be issued under the seal of the Company and signed by two Directors and the Secretary or authorised official(s) of the Company.

### **One Certificate for Joint Holders**

17. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.

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### **Renewal of Certificate**

18. If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.
19. For every certificate issued under the last preceding Article, no fee shall be charged by the Company.

### **Splitting and Consolidation of Share Certificate**

20. The shares of the Company will be split up/consolidated in the following circumstances:
  - (i) At the request of the member/s for split up of shares in marketable lot.
  - (ii) At the request of the member/s for consolidation of fraction shares into marketable lot.

### **Directors may issue new Certificate(s)**

21. Where any share under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.

### **Person by whom installments are payable**

22. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment, shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.

### **Lien**

#### ***Company's lien on shares***

23. The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

#### ***As to enforcing lien by sale***

24. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death or insolvency of the register holder.

#### ***Authority to transfer***

25. (a) To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the

purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.

- (b) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

#### ***Application of proceeds of sale***

26. The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.

#### **Calls on Shares**

##### ***Calls***

27. Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.

##### ***When call deemed to have been made***

28. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.

##### ***Length of Notice of call***

29. Not less than thirty day's notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.

##### ***Sum payable in fixed installments to be deemed calls***

30. If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by installments at fixed time, whether on account of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or installment accordingly.

##### ***When interest on call or installment payable***

31. If the sum payable in respect of any call or, installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall fall due, shall pay interest for the same at the rate of 12 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.

##### ***Sums payable at fixed times to be treated as calls***

32. The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

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***Payment of call in advance***

33. The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.

***Partial payment not to preclude forfeiture***

34. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.

**Forfeiture of Shares**

***If call or installment not paid, notice may be given***

35. If a member fails to pay any call or installment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.

***Evidence action by Company against shareholders***

36. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

***Form of Notice***

37. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.

***If notice not complied with, shares may be forfeited***

38. If the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

***Notice after forfeiture***

39. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any



omission or neglect to give such notice or to make such entry as aforesaid.

#### ***Boards' right to dispose of forfeited shares or cancellation of forfeiture***

40. A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.

#### ***Liability after forfeiture***

41. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.

#### ***Effect of forfeiture***

42. The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

#### ***Evidence of forfeiture***

43. A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any ) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

#### ***Non-payment of sums payable at fixed times***

44. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

#### ***Validity of such sales***

45. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

### **Transfer and Transmission of Shares**

#### ***Transfer***

46. (a) The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.

- (b) The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.

- (c) An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- (d) For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.
- (e) Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

#### ***Form of transfer***

47. Shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act.

#### ***Board's right to refuse to register***

48. (a) The Board, may, at its absolute discretion and without assigning any reason, decline to register
1. The transfer of any share, whether fully paid or not, to a person of whom it do not approve or
  2. Any transfer or transmission of shares on which the Company has a lien
    - a. Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.
    - b. If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.
    - c. In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 58.
    - d. The provisions of this clause shall apply to transfers of stock also.

#### ***Further right of Board of Directors to refuse to register***

49. (a) The Board may, at its discretion, decline to recognise or accept instrument of transfer of shares unless the instrument of transfer is in respect of only one class of shares.

- (b) No fee shall be charged by the Company for registration of transfers or for effecting transmission on shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents.
- (c) Notwithstanding anything contained in Sub-articles (b) and (c) of Article 46, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots, subject however, to verification by the Company.
- (d) The Directors may not accept applications for transfer of less than 100 equity shares of the Company, provided however, that these restrictions shall not apply to:
- i. Transfer of equity shares made in pursuance of a statutory order or an order of competent court of law.
  - ii. Transfer of the entire equity shares by an existing equity shareholder of the Company holding less than hundred (100) equity shares by a single transfer to joint names.
  - iii. Transfer of more than hundred (100) equity shares in favour of the same transferee under one or more transfer deeds, one or more of them relating to transfer of less than hundred (100) equity shares.
  - iv. Transfer of equity shares held by a member which are less than hundred (100) but which have been allotted to him by the Company as a result of Bonus and/or Rights shares or any shares resulting from Conversion of Debentures.
  - v. The Board of Directors be authorised not to accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such sub-division or consolidation is required to be made to comply with a statutory order of a Court of Law or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to verification by the Company.

Provided that where a member is holding shares in lots higher than the transferable limit of trading and transfers in lots of transferable unit, the residual shares shall be permitted to stand in the name of such transferor not withstanding that the residual holding shall be below hundred (100).

***Rights to shares on death of a member for transmission***

50. (a) In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares.
- (b) In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.

Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.

Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member.

Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with

the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.

***Rights and liabilities of person***

51. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as herein, after provided elect either
- a. to be registered himself as a holder of the share or
  - b. to make such transfer of the share as the deceased or insolvent member could have made.
- (2) The Board, shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

***Notice by such a person of his election***

52. (a) If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (c) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer had been signed by that member.

***No transfer to infant, etc.***

53. No transfer shall be made to an infant or a person of unsound mind.

***Endorsement of transfer and issue of certificate***

54. Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.

***Custody of transfer***

55. The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

***Register of members***

56. (a) The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.

***Closure of Register of Members***

- (b) The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

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***When instruments of transfer to be retained***

- (c) All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.

**Company's right to register transfer by apparent legal owner**

57. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares not withstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.

**Alteration of Capital**

***Alteration and consolidation, sub-division and cancellation of shares***

58. (a) The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:
1. increase its share capital by such amount as it thinks expedient by issuing new shares;
  2. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  3. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;
  4. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.
  5.
    - a. Cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
    - b. The resolution whereby any share is sub-divided may determined that, as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.
  6. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative provisions for the time being in force in that behalf.

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***Reduction of capital, etc. by Company***

59. The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law:
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

**Surrender of Shares**

60. The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.

**Modification of Rights**

***Power of modify shares***

61. The rights and privileges attached to each class of shares may be modified, commuted, affected, abrogated in the manner provided in Section 48 of the Act.

**Set-off of Moneys due to Shareholders**

62. Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls.

**Conversion of Shares into Stock**

***Conversion of shares***

63. The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.

***Transfer of stock***

64. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

***Right of stockholders***

65. The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

***Applicability of regulations to stock and stockholders***

66. Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.

## Dematerialisation of Securities

### 67. (a) *Definitions*

For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities and Exchange Board of India;

'Depository' means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

'Security' means such security as may be specified by SEBI from time to time.

### (b) *Dematerialisation of securities*

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any

### (c) *Options for investors*

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

### (d) *Securities in depositories to be in fungible form*

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

### (e) *Rights of depositories and beneficial owners:*

- (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.
- (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

### (f) *Service of documents*

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

(g) ***Transfer of securities***

Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(h) ***Allotment of securities dealt with in a depository***

Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

(i) ***Distinctive numbers of securities held in a depository***

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

(j) ***Register and Index of Beneficial owners***

The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.

(k) ***Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository***

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

## **General Meetings**

### ***Annual General Meeting***

68. The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act.

### ***Extraordinary General Meeting***

69. (1) Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit.

### ***Right to summon Extraordinary General Meeting***

- (2) The Chairman or Vice Chairman may, whenever they think fit, and shall if so directed by the Board, convene an Extraordinary General Meeting at such time and place as may be determined.

### ***Extraordinary Meeting by requisition***

70. (a) The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of



the Act in regard to meetings on requisition.

- (b) The requisition shall set out matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office.
- (c) The requisition may consist of several documents in like forms, each signed by one or more requisitionists.
- (d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition.
- (e) If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid-up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub-clause (d) above, whichever is less.

#### ***Length of notice for calling meeting***

71. A General Meeting of the Company may be called by giving not less than twenty one days notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting.

Provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members, shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.

#### ***Accidental omission to give notice not to invalidate meeting***

72. The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.

#### ***Special business and statement to be annexed***

73. All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

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### ***Quorum***

74. The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:

Number of members upto 1000: 5 members personally present

Number of members 1000-5000: 15 members personally present

Number of members more than 5000: 30 members personally present

### ***If quorum not present, when meeting to be dissolved and when to be adjourned***

75. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

### ***Chairman of General Meeting***

76. The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.

### ***When Chairman is absent***

77. If there is no such Chairman, or Vice Chairman or if at any General Meeting, either the Chairman or Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting or if they are unwilling to take the chair, the members present shall choose one of their members to be the Chairman.

### ***Adjournment of meeting***

78. The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

### ***Questions at General Meeting how decided***

79. At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands/result of electronic voting as per the provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/ electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

### ***Casting vote***

80. In the case of an equality of votes, the Chairman shall, whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

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***Taking of poll***

81. If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

***In what cases poll taken without adjournment***

82. A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.

***Votes***

83. (a) Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.
- (b) Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.
- (c) Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.

***Business may proceed notwithstanding demand for poll***

84. A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

***Joint Holders***

85. In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

***Member of unsound mind***

86. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy.

***No member entitled to vote while call due to Company***

87. No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

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***Proxies permitted on polls***

88. On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.

***Instrument of proxy***

89. (a) The instrument appointing a proxy shall be in writing under the hand of the appointed or of the attorney duly authorised in writing, or if the appointer is a Corporation, either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.
- (b) A body corporate (whether a company within the meaning of this Act or not) may:
1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company;
  2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.
- (c) A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.

***Instrument of proxy to be deposited at the office***

90. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.

***Validity of vote by proxy***

91. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

***Form of proxy***

92. Any instrument appointing a proxy may be a two way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.

**Directors**

***Number of Directors***

93. Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.

The First Directors of the Company are :

1. Deepak Vrajlal Raval
2. Pankaj Kanaiyalal Parikh

3. Gaurang Ramniklal Sanghavi

94. Subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director shall be a Member of the Board.

#### ***Qualification of Directors***

95. Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.

#### ***Director's Remuneration***

96. (a) Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.
- (b) Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.
- (c) Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in sub-clause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.
- (d) Subject to the provisions of Section 188 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.

#### ***Directors may act notwithstanding vacancy***

97. The continuing Directors may act notwithstanding any vacancy in their body, but subject to the provisions contained in Article 119 below:

#### ***Chairman or Vice-chairman of the Board***

98. (a) Notwithstanding anything contained in these Articles and pursuant to provisions of the Act, Managing Director of the company will act as Chairman of the board and Deputy Managing Director will act as Vice chairman of the board.

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- (b) Subject to the provisions of the Act, the Chairman and the Vice Chairman may be paid such remuneration for their services as Chairman and Vice Chairman respectively, and such reasonable expenses including expenses connected with travel, secretarial service and entertainment, as may be decided by the Board of Directors from time to time.

### *Casual vacancy*

99. If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.

### **Vacation of office by Directors**

100. The office of a Director shall be vacated if:
1. he is found to be unsound mind by a Court of competent jurisdiction;
  2. he applies to be adjudicated as an insolvent;
  3. he is an undischarged insolvent;
  4. he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
  5. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;
  6. an order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.
  7. he has not complied with Subsection (3) of Section 152
  8. he has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years
  9. he absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;
  10. he acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.
  11. he becomes disqualified by an order of a court or the Tribunal
  12. he is removed in pursuance of the provisions of the Act,
  13. having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
- notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:
1. for thirty days from the date of the adjudication, sentence or order;

2. where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or
3. where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

#### **Alternate Directors**

101. (a) The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause “the Original Director” during his absence for a period of not less than 3 months from India.
- (b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.

#### **Independent Directors**

- (c) (i) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or clause 49 of Listing Agreement, whichever is higher, from time to time.
- (ii) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013 and clause 49 of Listing Agreement
- (iii) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and Listing Agreement and shall not be liable to retire by rotation.

#### **Women Director**

- (d) The Directors shall appoint one women director as per the requirements of section 149 of the Act.

#### **Key Managerial Personnel**

- (e) Subject to the provisions of the Act,—
  - (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
  - (iii) The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.

#### **Additional Directors**

102. The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under Article 93 above. Any person so appointed as an Additional Director shall hold office upto the date of the next Annual General Meeting of the Company.

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***Proportion of retirement by rotation***

- a. The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act.

**Debenture**

103. Any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.

**Corporation/Nominee Director**

104. (a) Notwithstanding anything to the contrary contained in the Articles, so long as any moneys remain owing by the Company the any finance corporation or credit corporation or body, (herein after in this Article referred to as “The Corporation”) out of any loans granted by them to the Company or as long as any liability of the Company arising out of any guarantee furnished by the Corporation, on behalf of the Company remains defaulted, or the Company fails to meet its obligations to pay interest and/or installments, the Corporation shall have right to appoint from time to time any person or person as a Director or Directors (which Director or Directors is/are hereinafter referred to as “Nominee Director(s)”) on the Board of the Company and to remove from such office any person so appointed, any person or persons in his or their place(s).
- (b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s as long as such default continues. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s appointed shall hold the said office as long as any moneys remain owing by the Company to the Corporation or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, and of the Meeting of the Committee of which the Nominee Director/s is/are member/s.

The Corporation shall also be entitled to receive all such notices. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Director/s of the Company are entitled, but if any other fee, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fee, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment to Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall so accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.



- (c) The Corporation may at any time and from time to time remove any such Corporation Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Corporation Director in his place. Such appointment or removal shall be made in writing signed by the Chairman or Joint Chairman of the Corporation or any person and shall be delivered to the Company at its Registered office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company, subject to Section 152 of the Act and so that the number does not exceed 1/3 of the maximum fixed under Article 93.

#### **Disclosure of interest of Directors**

105. (a) Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.

Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.

- (b) A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.

#### **Rights of Directors**

106. Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.

#### **Directors to comply with Section 184**

107. Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.

#### **Directors power of contract with Company**

108. Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.

#### **Rotation of Directors**

##### ***Rotation and retirement of Directors***

109. At every annual meeting, one-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.

***Retiring Directors eligible for re-election***

110. A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.

***Which Directors to retire***

111. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

***Retiring Directors to remain in office till successors are appointed***

112. Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.

**Power of General Meeting to increase or reduce number of Directors**

113. Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 93 and may also determine in what rotation the increased or reduced number is to retire.

**Power to remove Directors by ordinary resolution**

114. Subject to provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.

**Rights of persons other than retiring Directors to stand for Directorships**

115. Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be "along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25% of total valid votes cast either on show of hands or electronically or on poll on such resolution".

**Register of Directors and KMP and their shareholding**

116. The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.

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### **Business to be carried on**

117. The business of the Company shall be carried on by the Board of Directors.

### **Meeting of the Board**

118. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.

### **Director may summon meeting**

119. A Director may at any time request the Secretary to convene a meeting of the Directors and seven days notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.

### **Question how decided**

120. (a) Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
- (b) In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.

### **Right of continuing Directors when there is no quorum**

121. The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.

### **Quorum**

122. The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting there from the number of Directors, if any, whose places are vacant at the time.

### **Election of Chairman to the Board**

123. If no person has been appointed as Chairman or Vice Chairman under Article 98(a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.

### **Power to appoint Committees and to delegate**

124. (a) The Board may, from time to time, and at any time and in compliance with provisions of the act and listing agreement constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit.

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*Delegation of powers*

- (b) Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and listing agreement.
- (c) The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and listing agreement.

***Proceedings of Committee***

125. The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last proceeding Article.

***Election of Chairman of the Committee***

126. (a) The Chairman or the Vice Chairman shall be the Chairman of its meetings, if either is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.
- (b) The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.

***Question how determined***

127. (a) A Committee may meet and adjourn as it thinks proper.
- (b) Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.

***Acts done by Board or Committee valid, notwithstanding defective appointment, etc.***

128. All acts done by any meeting of the Board or a Committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or any person acting as aforesaid, or that any of them was disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.

***Resolution by circulation***

129. Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

***Powers and Duties of Directors***

***General powers of Company vested in Directors***

130. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required

to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

#### ***Attorney of the Company***

131. The Board may appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment, may, if the Board thinks fit, be made in favour of the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

#### ***Power to authorise sub-delegation***

132. The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.

#### **Directors' duty to comply with the provisions of the Act**

133. The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.

#### **Special power of Directors**

134. In furtherance of and without prejudice to the general powers conferred by or implied in Article 130 and other powers conferred by these Articles, and subject to the provisions of Sections 179 and 180 of the Act, that may become applicable, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to the following things.

#### **To acquire and dispose of property and rights**

135. (a) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.

#### ***To pay for property in debentures, etc.***

- (b) At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

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***To secure contracts by mortgages***

- (c) To secure the fulfillment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.

***To appoint officers, etc.***

- (d) To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.
- (e) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments or satisfaction of any dues and of any claims or demands by or against the Company.

***To refer to arbitration***

- (f) To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.

***To give receipt***

- (g) To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.

***To act in matters of bankrupts and insolvents***

- (h) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

***To give security by way of indemnity***

- (i) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

***To give commission***

- (j) To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.

***To make contracts etc.***

- (k) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

***To make bye-laws***

- (l) From time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants.

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***To set aside profits for provided fund***

- (m) Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.

***To make and alter rules***

- (n) To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.
- (o) And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.

**Managing Director**

136. (a) Subject to the provisions of Section 196 ,197, 2(94), 203 of the Act, the following provisions shall apply:
- (b) The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.
  - (c) The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.
  - (d) If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.
  - (e) The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.
  - (f) Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/Managing Directors shall exercise all powers set out in Article 137 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.

**Whole-time Director**

137. (1) Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Whole-time Director or Wholetime Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. The remuneration payable

to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf.

- (2) A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.

### **Secretary**

138. The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board

### **Powers as to commencement of business**

139. Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

### **Delegation of power**

140. Subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.

### **Borrowing**

#### ***Borrowing Powers***

141. (a) The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building,



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bond or other property and security of the Company or by such other means as them may seem expedient.

#### **Assignment of debentures**

142. Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.

#### **Terms of debenture issue**

143. (a) Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
- (b) Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee of or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.
- (c) The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called "Debenture Director". The words "Mortgage" or "Debenture Director" shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgagee lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.
- (d) The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.
- (e) The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being.

#### **Charge on uncalled capital**

144. Any uncalled capital of the Company may be included in or charged by mortgage or other security.

#### **Subsequent assignees of uncalled capital**

145. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to

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obtain priority over such prior charge.

**Charge in favour of Director of indemnity**

146. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.

**Powers to be exercised by Board only at meeting**

147. (a) Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.
- (a) to make calls on shareholders in respect of money unpaid on their shares;
  - (b) to authorise buy-back of securities under section 68;
  - (c) to issue securities, including debentures, whether in or outside India;
  - (d) to borrow monies;
  - (e) to invest the funds of the company;
  - (f) to grant loans or give guarantee or provide security in respect of loans;
  - (g) approve financial statement and the Board's report;
  - (h) to diversify the business of the company;
  - (i) to approve amalgamation, merger or reconstruction;
  - (j) to take over a company or acquire a controlling or substantial stake in another company;
  - (k) to make political contributions;
  - (l) to appoint or remove key managerial personnel (KMP);
  - (m) to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
  - (n) to appoint internal auditors and secretarial auditor;
  - (o) to take note of the disclosure of director's interest and shareholding;
  - (p) to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;
  - (q) to invite or accept or renew public deposits and related matters;
  - (r) to review or change the terms and conditions of public deposit;
  - (s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.
  - (t) such other business as may be prescribed by the Act.

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- (b) The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses, d, e and f above.
  - (c) Every resolution delegating the power set out in Sub-clause d shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.
  - (d) Every resolution delegating the power referred to in Sub-clause e shall specify the total amount upto which the funds may be invested and the nature of investments which may be made by the delegate.
  - (e) Every resolution delegating the power referred to in Sub-clause f above shall specify the total amount upto which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.

#### **Register of mortgage to be kept**

- 148. The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.

#### **Register of holders of debentures**

- 149. Every register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty five days in any year, and not exceeding thirty days at any one time. Subject as the aforesaid, every such register shall be open to the inspection of registered holders of any such debenture and of any member but the Company may in General Meeting impose any reasonable restriction so that at least two hours in every day, when such register is open, are appointed for inspection.

#### **Inspection of copies of and Register of Mortgages**

- 150. The Company shall comply with the provisions of the Companies Act, 2013, as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.

#### **Supplying copies of register of holder of debentures**

- 151. The Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.

#### **Right of holders of debentures as to Financial Statements**

- 152. Holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.

#### **Minutes**

- 153. (a) The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.

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- (b) The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

#### **Managing Director's power to be exercised severally**

154. All the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally.

#### **Manager**

155. Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board.

#### **Common Seal**

##### *Common Seal*

156. The Board shall provide a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the Registered Office of the Company and committed to the custody of the Directors.

##### *Affixture of Common Seal*

157. The seal shall not be affixed to any instrument except by the authority of a resolution of the Board or Committee and unless the Board otherwise determines, every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director and the Secretary in whose presence the seal shall have been affixed or such other person as may, from time to time, be authorised by the Board and provided nevertheless that any instrument bearing the seal of the Company issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same provided also the counter signature of the Chairman or the Vice Chairman, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.

#### **Dividends and Reserves**

##### *Rights to Dividend*

158. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.

##### *Declaration of Dividends*

159. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

##### *What to be deemed net profits*

160. The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive

#### **Interim Dividend**

161. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

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***Dividends to be paid out of profits only***

162. No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.

***Reserve Funds***

163. (a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (b) The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.

**Method of payment of dividend**

164. (a) Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.
- (b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.
- (c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.

**Deduction of arrears**

165. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise.

**Adjustment of dividend against call**

166. Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.

**Payment by cheque or warrant**

167. (a) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.
- (b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (c) Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.

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### **Retention in certain cases**

168. The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.

### **Receipt of joint holders**

- (A) Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:
- a) transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
  - b) Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act”.

### **Deduction of arrears**

169. Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.

### **Notice of Dividends**

170. Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

### **Dividend not to bear interest**

171. No dividend shall bear interest against the Company.

### **Unclaimed Dividend**

172. No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.

### **Transfer of share not to pass prior Dividend**

173. Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

### **Capitalisation of Profits**

#### *Capitalisation of Profits*

174. (a) The Company in General Meeting, may on the recommendation of the Board, resolve:
- 1. that the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the

distribution as dividend capitalised; and

2. that such sum be accordingly set free for distribution in the manner specified in Sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Sub clause (3) either in or towards:
1. paying up any amount for the time being unpaid on any share held by such members respectively;
  2. paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; or
  3. partly in the way specified in Sub-clause (i) and partly in that specified in Sub-clause (ii).
- (c) A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- (d) The Board shall give effect to resolutions passed by the Company in pursuance of this Article.

#### **Powers of Directors for declaration of Bonus**

175. (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
1. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and
  2. generally do all acts and things required to give effect thereto.
- (b) The Board shall have full power:
1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also;
  2. to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.
- (c) Any agreement made under such authority shall be effective and binding on all such members.

#### **Accounts**

##### ***Books of account to be kept***

176. (a) The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.
- (b) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions.

- (c) The books of accounts shall be open to inspection by any Director during business hours.

***Where books of account to be kept***

177. The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.

***Inspection by members***

178. The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.

**Statement of account to be furnished to General Meeting**

179. The Board shall lay before such Annual General Meeting, financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act.

**Financial Statements**

180. Subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.

**Authentication of Financial Statements**

181. (a) Subject to Section 134 of the Act, every financial statements of the Company shall be signed on behalf of the Board by not less than two Directors.
- (b) The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

**Auditors Report to be annexed**

182. The Auditor's Report shall be attached to the financial statements.

**Board's Report to be attached to Financial Statements**

183. (a) Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.
- (b) The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.
- (c) The Board shall also give the fullest information and explanation in its report or in case falling under the



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provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.

- (d) The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 181.
- (e) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (a) to (e) of this Article are complied with.

#### **Right of member to copies of Financial Statements**

184. The Company shall comply with the requirements of Section 136.

#### **Annual Returns**

185. The Company shall make the requisite annual return in accordance with Section 92 of the Act.

#### **Audit**

##### *Accounts to be audited*

186. (a) Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.
- (b) Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.
  - (c) At every Annual General Meeting, reappointment of such auditor shall be ratified by the shareholders.
  - (d) Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.
  - (e) The Company shall, within seven days of the Central Government's power under Sub-clause (d) becoming exercisable, give notice of that fact to that Government.
  - (f) 1. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and

- 2. If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.
- (g) The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (h) A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting

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unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section 140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.

- (i) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.
- (j) Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company.

#### **Audit of Branch Offices**

187. The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.

#### **Remuneration of Auditors**

188. The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill and casual vacancy may be fixed by the Board.

#### **Rights and duties of Auditors**

189. (a) Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties as Auditor.
- (b) All notices of, and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
- (c) The Auditor shall make a report to the members of the Company on the accounts examined by him and on Financial statements and on every other document declared by this Act to be part of or annexed to the Financial statements, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:
1. in the case of the Balance Sheet, of the state of affairs as at the end of the financial year and
  2. in the case of the Statement of Profit and Loss, of the profit or loss for its financial year.
- (d) The Auditor's Report shall also state:
- (a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;
  - (b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;
  - (c) whether the report on the accounts of any branch office of the company audited under sub-section (8) by

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a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;

- (d) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
  - (e) whether, in his opinion, the financial statements comply with the accounting standards;
  - (f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
  - (g) whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;
  - (h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
  - (i) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
  - (j) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;
  - (k) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - (l) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
- (e) Where any of the matters referred to in Clauses (i) and (ii) of Sub-section (2) of Section 143 of the Act or in Clauses (a), (b) and (c) of Sub-section (3) of Section 143 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for such answer.
- (f) The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

#### **Accounts whether audited and approved to be conclusive**

190. Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected, and henceforth be conclusive.

#### **Service of documents on the Company**

191. A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act.

#### **How documents to be served to members**

192. (a) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address,

if any, within India supplied by him to the Company for the giving of notices to him.

- (b) All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.
- (c) Where a document is sent by post:
  - i. service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;
    - a. in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and
    - b. in any other case, at the time at which the letter should be delivered in the ordinary course of post.

#### **Members to notify address in India**

193. Each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

#### **Service on members having no registered address in India**

194. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

#### **Service on persons acquiring shares on death or insolvency of members**

195. A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

#### **Notice valid though member deceased**

196. Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.

#### **Persons entitled to Notice of General Meeting**

197. Subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to;

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- (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
  - (b) the auditor or auditors of the company; and
  - (c) every director of the company.

Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

#### **Advertisement**

- 198. (a) Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.
- (b) Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.

#### **Transference, etc. bound by prior notices**

- 199. Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.

#### **How notice to be signed**

- 200. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

#### **Authentication of Documents**

##### ***Authentication of document and proceeding***

- 201. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.

#### **Winding Up**

##### ***Winding up***

- 202. Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities *pari-passu* and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.

##### ***Division of assets of the Company in specie among members***

- 203. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of

the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

## **Indemnity and Responsibility**

### **Directors' and others' right to indemnity**

204. (a) Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which Service of documents on the Company any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.
- (b) Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.
205. Subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part of for any loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.

### **Secrecy Clause**

206. (a) No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.
- (b) Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.

**Registers, Inspection and copies thereof**

207. (a) Any Director or Member or person can inspect the statutory registers maintained by the company, which may be available for inspection of such Director or Member or person under provisions of the act by the company, provided he gives fifteen days notice to the company about his intention to do so.
- (b) Any Director or Member or person can take copies of such registers of the company by paying Rs. 10 per page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.

**General Authority**

208. Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this articles.

## SECTION XII – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10.00 a.m. and 5.00 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

#### A. Material Contracts

1. Memorandum of Understanding dated August 14, 2021 entered into between our Company and the Book Running Lead Manager.
2. Memorandum of Understanding dated August 14, 2021 entered into between our Company and the Registrar to the Issue.
3. Tripartite Agreement dated January 19, 2017 between CDSL, our Company and the Registrar to the Issue.
4. Tripartite Agreement dated January 13, 2017 between NSDL, our Company and the Registrar to the Issue.
5. The Banker to the Issue and Sponsor Banker Agreement dated [●] between our Company, the Book Running Lead Manager, the Syndicate Members, the Public Issue Bank(s), Sponsor Bank(s), Refund Bank(s) and the Registrar to the Issue.
6. Syndicate Agreement dated [●] between our Company, the Book Running Lead Manager, the Syndicate Members and Registrar to the Issue.
7. Underwriting Agreement dated [●] between our Company, the Book Running Lead Manager and the Underwriter.

#### B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificates of Incorporation dated December 22, 2015.
3. Resolution of the Board of Directors dated May 29, 2021 and August 13, 2021 authorising the Issue.
4. Shareholders' Resolution passed at the Annual General Meeting of the Company held on July 20, 2021, authorising the Issue.
5. Report of our Statutory Auditor dated August 13, 2021 regarding the Restated Consolidated Financial Information of our Company as at and for years ended March 31, 2021, 2020 and 2019 included in this Draft Red Herring Prospectus.
6. Statement of Tax Benefits dated August 21, 2021 issued by our Statutory Auditor.
7. Consents of our Directors, Chief Financial Officer, Company Secretary and Compliance Officer, BRLM, Legal Counsel to the Issue, Statutory Auditors, Registrar to the Issue, Bankers to the Issue<sup>(1)</sup>, Bankers to our Company<sup>(2)</sup>, Underwriter<sup>(1)</sup> and Syndicate Members<sup>(1)</sup> as referred to in their specific capacities.



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- (1) The aforesaid will be appointed prior to filing of the RHP / Prospectus with RoC and their consents as above would be obtained prior to the filing of the RHP / Prospectus with RoC.*
- (2) Consent and NoC from Fedral Bank in under process.*

8. Due diligence Certificate dated August 23, 2021 addressed to SEBI issued by the BRLM.
9. Resolution of the Board of Directors of our Company dated August 23, 2021, approving this Draft Red Herring Prospectus.
10. In-principle listing approval dated [●] from BSE.
11. SEBI observation letter no. [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made thereunder or guidelines / regulations issued, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-

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**Mr. Deepak Raval**  
Chairman & Managing Director

Date: August 23, 2021  
Place: Vadodara

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## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made thereunder or guidelines / regulations issued, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-

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**Mr. Murali Krishnamoorthy**  
Non-Executive Independent Director

Date: August 23, 2021

Place: Chennai

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## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made thereunder or guidelines / regulations issued, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-

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**Mr. Vinay Pandya**  
Non-Executive Independent Director

Date: August 23, 2021

Place: Ahmedabad

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## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made thereunder or guidelines / regulations issued, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-

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**Mr. Anand Muley**

Non-Executive Independent Director

Date: August 23, 2021

Place: Ras Al Khaimah (UAE)

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## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made thereunder or guidelines / regulations issued, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-

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**Mr. Niharkumar Naik**  
Non-Executive Independent Director

Date: August 23, 2021  
Place: Vadodara

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**DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made thereunder or guidelines / regulations issued, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-

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**Ms. Jigisha Thakkar**  
Non-Executive Independent Director

Date: August 23, 2021

Place: Vadodara

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## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made thereunder or guidelines / regulations issued, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

**Signed by the Chief Financial Officer of our Company**

Sd/-

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**Mr. Milind Joshi**  
Chief Financial Officer

Date: August 23, 2021  
Place: Vadodara



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**DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made thereunder or guidelines / regulations issued, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

**Signed by the Company Secretary and Compliance Officer of our Company**

Sd/-

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**Ms. Dharati Shah**

Company Secretary and Compliance Officer

Date: August 23, 2021

Place: Vadodara