`RED HERRING PROSPECTUS
Dated: December 03,, 2021
Please read section 32 of the Companies Act, 2013
Book-Building Offer

HP ADHESIVES LIMITED

Our Company was originally formed as a partnership firm under the name and style of "M/s. H.P. International" pursuant to a deed of partnership dated January 01, 1987. M/s. HP International was thereafter converted into a private limited company "HP Adhesives Private Limited" on May 07, 2019, pursuant to the provisions of Chapter XXI of the Companies Act. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to "HP Adhesives Limited" pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on June 23, 2021 and a fresh Certificate of Incorporation dated July 01, 2021 issued by the RoC. For details in relation to the change in our Registered of our Company, see "*History and Certain Corporate Matters*" beginning on page 175 of this Red Herring Prospectus.

Registered Office: 11, Unique House, Chakala Cross Road, Andheri East, Mumbai – 400 099, Maharashtra, India, **Telephone**: 022 68196300; +91-8097520674
Contact Person: Jyoti Nikunj Chawda, Company Secretary and Compliance Officer; **E-mail**: investors@hpadhesives.com; **Website**: www.hpadhesives.com
Corporate Identity Number: U24304MH2019PLC325019

PROMOTERS OF THE COMPANY: ANJANA HARESH MOTWANI AND KARAN HARESH MOTWANI

INITIAL PUBLIC OFFER OF UP TO 45,97,200 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF HP ADHESIVES LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] LAKHS COMPRISING A FRESH ISSUANCE OF UP TO 41,40,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 4,57,200 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY ANJANA HARESH MOTWANI ("SELLING SHAREHOLDER") AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDER, THE "OFFERED SHARES") (SUCH OFFER BY THE SELLING SHAREHOLDER, THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER SHALL CONSTITUTE 25.02% OF THE POST- OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS, JANSATTA AND MUMBAI EDITION OF NAVSHAKTI (WHICH ARE WIDELY CIRCULATED ENGLISH DAILY NEWSPAPERS, HINDI DAILY NEWSPAPERS AND MARATHI DAILY NEWSPAPERS, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Manager and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), other Designated Intermediaries and the Sponsor Bank, as applicable.

This Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). This Offer is being made in accordance with Regulation 6(2) of the SEBI ICDR Regulations and through a Book Building Process wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"). Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), out of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidder(s) in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank account (including UPI ID (defined hereinafter) in case of Retail Individual Bidder(s)) in which the corresponding Bid Amounts will be blocked by the SCSBs, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" beginning on page 335 of this Red Herring Prospectus

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10. The Floor Price, Cap Price and Offer Price (determined and justified by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" beginning on page 125 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" beginning on page *28* of this Red Herring Prospectus.

COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this 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 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. Further, the Selling Shareholder, accepts responsibility for and confirms only statements expressly made by it in this Red Herring Prospectus solely in relation to itself and the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholder assumes no responsibility for any other statements, including, *inter alia*, any of the statements made by or relating to our Company or in relation to our business in this Red Herring Prospectus.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated August 09, 2021 and September 03, 2021, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be National Stock Exchange of India Limited. A copy of the Red Herring Prospectus and the Prospectus shall be delivered to the Registrar of Companies, Mumbai **("RoC")** for filing in accordance under Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 390 of this Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
UNISTONE CAPITAL PRIVATE LIMITED A/305, Dynasty Business Park Andheri-Kurla Road, Andheri East, Mumbai – 400 059 **Telephone:** +91 9820057533 **Email:** mb@unistonecapital.com **Investor grievance email:** compliance@unistonecapital.com **Contact Person:** Mr. Brijesh Parekh **Website:** www.unistonecapital.com **SEBI registration number:** INM000012449 **CIN:** U65999MH2019PTC330850	**BIGSHARE SERVICES PRIVATE LIMITED** 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400 059, India **Telephone:** 022-62638200; **Facsimile:** 022-63638280 **Email:** ipo@bigshareonline.com; **Investor grievance email:** investor@bigshareonline.com **Contact Person:** Mr. Ashish Bhope **Website:** www.bigshareonline.com **SEBI Registration Number:** INR000001385 **CIN:** U99999MH1994PTC076534U6

BID/OFFER PROGRAMME

BID/OFFER OPENS ON*	**WEDNESDAY, DECEMBER 15, 2021**
BID/OFFER CLOSES ON*	**FRIDAY, DECEMBER 17, 2021**

**Our Company and the Selling Shareholder shall, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*

**Our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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SECTION I –GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations framed thereunder. Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Special Tax Benefits", "Restated Financial Statements", "Basis for Offer Price", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provisions of Articles of Association" beginning on pages 132, 170, 128, 202, 125, 293, 335 and 361 respectively shall have the meaning ascribed to them in the relevant section.

Conventional or General Terms

Term	Description
"our Company", "the Company", "the Issuer"	HP Adhesives Limited, a public limited company incorporated under the Companies Act, 2013 and having its registered office at 11, Unique House, Chakala Cross Road, Andheri East, Mumbai – 400 099, Maharashtra, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
Administrative office	213, Unique House, Chakala Cross Road, Andheri East, Mumbai – 400 099, Maharashtra, India
"Articles of Association" or "AoA"	Articles of Association of our Company, as amended
Audit Committee	Audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "Our Management" on page 179 of this Red Herring Prospectus
"Auditors" or "Statutory Auditors"	M/s. Priya Choudhary & Associates, LLP, the statutory auditors of our Company
"Board" or "Board of Directors"	Board of directors of our Company or a duly constituted committee thereof
Chairperson	Chairperson of our Company, Mrs. Anjana Haresh Motwani
Chartered Engineer	M/s. Orbit Consultants and Valuers
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, Ms. Jyoti Nikunj Chawda
CRISIL Report	Report titled *"Assessment of Adhesives and Sealants market in India"* dated November 2021 (the "CRISIL Research") prepared and issued by CRISIL Limited. The CRISIL Report is available on the website of our Company at *https://www.hpadhesives.com*
Director(s)	Directors on our Board
Equity Shares	Equity shares of face value of ₹10/- each of our Company
Executive Director	Executive director on our Board
Independent Directors	Independent directors on our Board

Term	Description
IPO Committee	IPO Committee of our Board comprising of Mrs. Anjana Haresh Motwani, Mr. Karan Haresh Motwani and Mr. Rajendra Kumar Jain
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company shall have the meaning as set out under Regulation 2(1)(bb) of the SEBI ICDR Regulations as described in "Our Management – Key Managerial Personnel" on page 191 of this Red Herring Prospectus
Managing Director	Managing director of our Company, Mr. Karan Haresh Motwani
"Memorandum of Association" or "MoA"	Memorandum of Association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "Our Management" on page 179 of this RHP.
Promoters	The promoters of our Company namely, Mrs. Anjana Haresh Motwani and Mr. Karan Haresh Motwani. For further details, see "Our Promoters and Promoter Group" on page 195 of this Red Herring Prospectus
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "Our Promoters and Promoter Group" on page 195 of this Red Herring Prospectus
Registered Office	11, Unique House, Chakala Cross Road, Andheri East, Mumbai – 400 099, Maharashtra, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Maharashtra at 100, Everest, Marine Drive, Mumbai – 400 002, Maharashtra
"Restated Financial Statements" or "Restated Financial Information"	Restated financial statements of our Company as at and for the six months period ended September 30, 2021 and September 30, 2020 and financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 comprising of the restated summary statement of assets and liabilities as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, the restated summary statements of profit and loss and the restated summary statement of cash flows for the six months period ended September 30, 2021 and September 30, 2020 and financial 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 derived from audited financial statements as at and for the audited financial statements as at and for the six months period ended September 30, 2021 and September 30, 2020 and financial year ended March 31, 2021 prepared in accordance with Ind AS and audited financial statements as at and for the year ended March 31, 2020 and March 31, 2019 prepared in accordance with IGAAP and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time
Selling Shareholder	Mrs. Anjana Haresh Motwani
Shareholders	Shareholders of our Company from time to time
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "Our Management" on page 179 of this RHP.

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or"Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to beAllotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange

Term	Description
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and this Prospectus and who had Bid for an amount of at least ₹10 crore
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholder, in consultation with the Lead Manager during the Anchor Investor Bid/ Offer Period
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholder in consultation with the Lead Manager
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company and the Selling Shareholder in consultation with the Lead Manager, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and which includes applications made by RIBs using the UPI Mechanism where the Bid Amount was blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	A 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 was blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which was considered as the application for Allotment in terms of the Red Herring Prospectus and Prospectus
Banker(s) to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer as described in "Offer Procedure" beginning on page 335 of this RHP
Bid	An indication to make an offer during the Bid/ Offer Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band. 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 of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable

Term	Description
	by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being December 17, 2021 which shall be notified in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located, each with wide circulation. Our Company and the Selling Shareholder, in consultation with the Lead Manager, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites of the Lead Manager and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/ Offer Opening Date will be published, as required under the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being December 15, 2021 which shall be published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located, each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations, provided that such period shall be kept open for a minimum of three Working Days. Our Company and the Selling Shareholder, in consultation with the Lead Manager, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
Bidder	Any investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries accepted the Bid cum Application Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs 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 Offer is being made
"Book Running Lead Manager" or "BRLM" or "Lead Manager"	The book running lead manager to the Offer namely, Unistone Capital Private Limited
Broker Centres	The broker centres notified by the Stock Exchanges where Bidders could submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)

Term	Description
"CAN"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who will be allocated the Equity Shares, on or after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement dated November 30, 2021 entered amongst our Company, the Selling Shareholder, the Lead Manager, the Banker(s) to the Offer and Registrar to the Offer for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	The client identification number maintained with one of the Depositories in relation to demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE, as updated from time to time
Cut-off Price	The Offer Price, finalised by our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and 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, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which collected the ASBA Forms, a list of which was available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
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 respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which funds from the Escrow Account(s) are transferred to the Public Offer Account(s) or the Refund Account(s), as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account(s) and/ or are unblocked, as applicable, in terms of the Red Herring Prospectus and Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares may be Allotted to successful Bidders in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. 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, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs

Term	Description
Designated RTA Locations	Such locations of the RTAs where Bidders could 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 respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Stock Exchange	The National Stock Exchange of India
"Draft Red Herring Prospectus" or "DRHP"	The draft red herring prospectus dated July 18, 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 Offer, including any addenda or corrigenda thereto
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/ direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank	Bank(s) which are clearing member(s) and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account(s) will be opened, in this case being ICICI Bank Limited
First Bidder or Sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted
Fresh Issue	Initial public offer of up to 41,40,000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per equity share) aggregating to ₹ [●] Lakhs.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
"General Information Document" or "GID"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular number CIR/CFD/DIL/12/2013 dated October 23, 2013, notified by SEBI and updated pursuant to the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI circular number CIR/CFD/DIL/1/2016 dated January 1, 2016, the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, the SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2019, and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Manager
Monitoring Agency	ICICI Bank Limited
Monitoring Agency Agreement	Monitoring Agency Agreement dated November 30, 2021, entered between our Company and the Monitoring Agency
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be made available for allocation to Mutual Funds only, subject to valid Bids having been received at or above the Offer Price
Net Offer	The Offer

Term	Description
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see "Objects of the Offer" beginning on page 94 of this RHP.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
"Non-Institutional Bidders" or "Non-Institutional Investors"	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	Portion of the Net Offer being not more than 15% of the Net Offer consisting of [●] Equity Shares which will be made available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids having been received at or above the Offer Price
Non-Resident	Person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs
Offer	The Offer comprises of a Fresh Issue of up to 41,40,000 Equity Shares aggregating to ₹ [●] Lakhs and an Offer for Sale of up to 4,57,200 Equity Shares aggregating to ₹ [●] Lakhs
Offer Agreement	Offer Agreement dated July 15, 2021 entered amongst our Company, the Selling Shareholder and the Book Running Lead Manager, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 4,57,200 Equity Shares aggregating to ₹ [●] Lakhs by the Selling Shareholder in the Offer
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, which was decided by our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, in terms of the Red Herring Prospectus and the Prospectus. The Offer Price was decided by our Company and each of the Selling Shareholder, in consultation with the Book Running Lead Manager, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus and Prospectus.
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholder. For further information about use of the Offer Proceeds, see "Objects of the Offer" beginning on page 94 of this RHP
Offered Shares	Up to 4,57,200 Equity Shares aggregating to ₹ [●] Lakhs being offered by the Selling Shareholder in the Offer for Sale
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price). The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholder in consultation with the Lead Manager, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi daily newspaper, (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation 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 Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto

Term	Description
Public Offer Account	Bank account to be opened with the Public Offer Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Offer Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Offer Account will be opened, in this case being ICICI Bank Limited
QIB Portion	The portion of the Net Offer (including the Anchor Investor Portion) being at least 75% of the Net Offer consisting of [●] Equity Shares which shall be available for allotment to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors)
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	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 Offer Price and the size of the Offer, including any addenda and corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/ Offer Opening Date and will become the prospectus upon filing with the RoC after the Pricing Date
Refund Account	Account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank	Banker(s) to the Offer and with whom the Refund Account(s) will be opened, in this case being ICICI Bank Limited
Registered Brokers	Stock brokers registered with SEBI and the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of the SEBI circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated July 7, 2021 entered by and amongst our Company, the Selling Shareholder and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
"Registrar to the Offer" or "Registrar"	Bigshare Services Private Limited
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs who applied through their Karta and Eligible NRIs)
Retail Portion	Portion of the Net Offer being not more than 10% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids having been received at or above the Offer Price)
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and 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 could revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date.
Self-Certified Syndicate Bank(s) or SCSB(s)	The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not bidding through Syndicate/ Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at

Term	Description
	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time. In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) 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 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism could apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement namely, Bigshare Services Private Limited
Share Escrow Agreement	Share Escrow Agreement to be entered amongst our Company, the Selling Shareholder and the Share Escrow Agent in connection with the transfer of the respective portion of Offered Shares by the Selling Shareholder and credit of such Offered Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate could accept Bid cum Application Forms
Sponsor Bank	ICICI Bank Limited, being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and/ or payment instructions of the RIBs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
Syndicate Agreement	Syndicate Agreement to be entered amongst our Company, the Selling Shareholder, the Book Running Lead Manager, the Registrar and the Syndicate Member(s), in relation to collection of Bids by the Syndicate
"Syndicate" or "Members of the Syndicate" or "Syndicate Members"	Intermediaries registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Offer, in this case being Rikhav Securities Limited
Underwriters	[●]
Underwriting Agreement	Underwriting Agreement to be entered amongst our Company, the Selling Shareholder and the Underwriter(s) 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	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, 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.

Term	Description
	SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the 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 linked mobile application and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.
UPI Mechanism	The bidding mechanism that was used by RIBs in accordance with the UPI Circulars to make an ASBA Bid in the Offer
Wilful Defaulter	A company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes any company whose director or promoter is categorized as such
Working Day	All days on which commercial banks in Mumbai are open for business provided however, with reference to (a) announcement of Price Band and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Technical/ Industry Related Terms or Abbreviations

Term	Description
ACP	Aluminium Composite Panel
Applier	A person who applies our products including plumbers, carpenters, masons and glazing contractors
FRP	Fiber-reinforced plastic
CAGR	Compounded Annual Growth Rate (as a %): (End Year Value/ Base Year Value) ^ (1/No. of years between Base year and End year) –1 [^ denotes 'raised to']
Capital Employed	Capital employed is calculated as total assets less current liabilities less CWIP less new office premise under renovation, plus borrowings under current liabilities, current maturities of long-term debts and lease liabilities under current liabilities
cPVC	Chlorinated polyvinyl chloride
CWIP	Capital work-in-progress
Debt to Equity	Debt to equity is calculated as borrowings under non-current liabilities plus current maturities of long- term debts plus borrowings under current liabilities, divided by total equity
EBITDA	EBITDA is calculated as restated profit for the year/ period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses
EBITDA Margin	EBITDA Margin is the percentage of EBITDA divided by revenue from operations.
Gross Margin	Gross Margin is calculated as revenue from operations less Material Cost.
ISO	International Organization for Standardization

Term	Description
KLPA	Kilo liters per annum
Material Cost	Material Cost is calculated as cost of raw material and components consumed plus purchase of traded goods, decrease/ (increase) in inventories of finished goods and traded goods, and excise duty on sale of goods.
MRP	Maximum Retail Price
MT	Metric tonnes
MTPA	Metric tonnes per annum
Non- GAAP Measure(s)	Non-GAAP measures comprises EBIT, EBITDA, EBITDA Margin, Material Cost, Adjusted Material Cost, Gross Margin, Adjusted Gross Margin, Other Operating Expenses, Capital Employed, Return on Capital Employed, Return on Equity, Debt to Equity, PAT Margin, CAGR and others. For a reconciliation of these Non-GAAP Measures, see "Management's Discussion and Analysis of Financial Condition and Results Of Operations – Non-GAAP Measures" on page 275 of this RHP.
Other Operating Expenses	Other operating expenses is calculated as other expenses less freight and forwarding charges and advertisement and sales promotion expenses.
PAT Margin	PAT Margin is calculated as restated profit for the year/ period divided by total income, represented as a percentage.
PPE	Property, plant and equipment
PTFE	Polytetrafluoroethylene
PVA	Polyvinyl acetate
PVC	Polyvinyl chloride
ROCE	Return on Capital Employed is calculated as EBIT divided by Capital Employed.
ROE	Return on equity is calculated as restated profit for the year/ period divided by total equity.
ROU	Right to use assets
SKU	Stock keeping unit
Sq. ft.	Square feet
Sq. mtrs.	Square metres
Total Borrowings	Total borrowings is calculated as borrowings under non-current liabilities, plus current maturities of long-term debts, plus borrowings under current liabilities
uPVC	Unplasticized Polyvinyl Chloride

Conventional and General Terms or Abbreviations

Term	Description
₹/ Rs./ Rupees/ INR	Indian Rupees
AIFs	Alternative Investments Funds
AGM	Annual general meeting
AY	Assessment Year
BSE	BSE Limited
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIFRegulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited

Term	Description
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act or Companies Act, 2013	Companies Act, 2013, along with the relevant rules framed thereunder
COVID-19/ Novel Coronavirus	Coronavirus disease 2019, a respiratory illness caused by the Novel Coronavirus and a public health emergency of international concern as declared by the World Health Organization on January 30,2020 and a pandemic on March 11, 2020
Companies Act, 1956	Companies Act, 1956, along with the relevant rules framed thereunder
CST	Central Sales Tax
CST Act	Central Sales Tax Act, 1956
DC	Deputy Commissioner
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP or Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identification
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*formerly known as the Department of Industrial Policy and Promotion*)
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations there under
FEMA Non-debt Instruments Rules/ FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Regulations	The Foreign Exchange Management (Non Debt Instruments) Rules, 2019, the Foreign Exchange Management (Mode of Payment and Reporting of Non Debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
Financial Year/ Fiscal/ Fiscal Year/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year.
FIR	First information report
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAR	General Anti-Avoidance Rules
Gazette	Gazette of India
GDP	Gross domestic product
GoI or Government or Central Government	Government of India
GST	Goods and Services Tax
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
HUF	Hindu Undivided Family
HNI	High Net worth Individual
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended

Term	Description
India	Republic of India
Indian GAAP/ IGAAP	Accounting standards notified under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules 2006 and the Companies (Accounts) Rules, 2014 in so far as they apply to our Company, as amended
IPC	The Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
MCA	Ministry of Corporate Affairs
MICR	Magnetic Ink Character Recognition
MVAT	Maharashtra Value Added Tax
MVAT Act	Maharashtra Value Added Tax Act, 2002
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N/A/ N.A./ NA	Not applicable
NAV	Net Asset Value
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have themeaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 oran overseas citizen of India cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NRE Account	Non-resident external rupee account
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NSF	NSF International
OCB or Overseas CorporateBody	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest isirrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price to Earnings ratio
PAN	Permanent Account Number
PAT	Profit after tax
Pollution control laws	Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019

Term	Description
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations/ SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
U.S. Securities Act	U.S. Securities Act of 1933
U.S./USA/United States	United States of America
USD or US$	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

CURRENCY CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL, INFORMATION, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Red Herring Prospectus to "India" are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GOI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "U.S.", "US", "U.S.A" or "United States" are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time ("IST"). Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year.

Unless the context requires otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

Financial Data

Unless otherwise stated or context requires otherwise, the financial information and financial ratios included in this Red Herring Prospectus have been derived from our Restated Financial Information as at and for the six months period ended September 30, 2021 and 2020 and Fiscals 2019, 2020 and 2021, prepared in accordance with Ind AS. The Restated Financial Statements have been examined by our Statutory Auditor in accordance with the Companies Act and relevant rules framed thereunder and restated under the SEBI ICDR Regulations. As at and for the six months period ended September 30, 2021 and 2020 and Fiscals ended March 31, 2019, 2020 and 2021, our Company did not have any subsidiary and, consequently, the Restated Financial Statements included in this Red Herring Prospectus have been prepared on a standalone basis.

We have prepared our Restated Financial Statements for the six months period ended September 30, 2021 and 2020 and Financial Years ended March 31, 2019, 2020 and March 31, 2021 in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, 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 the ICAI. For further information, see "Financial Information" beginning on page 202 of this RHP.

Our Company's Financial Year commences on April 01st and ends on March 31st of the next year. Accordingly, all references in this Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12 months period ended on March 31st of that particular year.

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

should, accordingly, be limited. For risks relating to significant differences between Ind AS, Indian GAAP and other accounting principles, see Risk Factor No. *62 "Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition."* beginning on page 59 of this RHP.

Unless the context requires otherwise, any percentage amounts (excluding certain operational metrics), as set forth in *"Risk Factors", "Our Business"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 28, 150 and 275 respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of the Restated Financial Information.

Currency and Units of Presentation

All references to

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

Except otherwise specified, our Company has presented certain numerical information in this Red Herring Prospectus in "Lakh" units.

However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than Lakhs, such figures appear in this Red Herring Prospectus in such denominations as provided in the respective sources.

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

Exchange Rates

This 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, for the periods indicated, information with respect to the exchange rate between the Rupee and the US$:

(in Rs.)

Currency	As on September 30, 2021	As on March 31, 2021	As on March 31, 2020	As on March 31, 2019
US$*	74.25	73.50	75.39	69.17

**Source: www.rbi.org.in and www.fbil.org.in*

In case the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from publicly available information as well as various industry publications and sources. These

publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

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

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors including those discussed in chapter titled "Risk Factors" on page 28 of this Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI Regulations, we have included in the chapter "*Basis for Offer Price*" on page 125, information pertaining to the peer group companies of our Company. Such information has been derived from publicly available data of the peer group companies. Accordingly, no investment decision should be made solely on the basis of such information. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in *"Risk Factors"* beginning on page *28* of this Red Herring Prospectus.

FORWARD LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "propose", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that may vary, some or all of which could cause actual results to differ materially from those contemplated by the relevant forward- looking statement. All statements in this RHP that are not statements of historical fact are 'forward – looking statements'.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate 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 which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our Company's expectations and assumptions include, but are not limited to, the following:

1. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
2. Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
3. Engagement in a highly competitive business and a failure to effectively compete;
4. Inability to identify or effectively respond to evolving preferences, expectations or trends in a timely manner, and a failure to derive the desired benefits from our product development efforts;
5. Changes in technology and our ability to manage any disruption or failure of our technology systems;
6. Our ability to attract and retain qualified personnel;
7. Changes in political and social conditions in India, the monetary and interest rate policies, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
8. The performance of the financial markets in India and globally;
9. Market fluctuations and industry dynamics beyond our control;
10. Changes in foreign exchange rates or other rates or prices;
11. Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
12. Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
13. Termination of clients/ works contracts without cause and with little or no notice or penalty;
14. Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or non- compliance with and changes in, safety, health and environmental laws and other applicable

regulations, may adversely affect our business, financial condition, results of operations and prospects.

For details regarding factors that could cause the actual results to differ from the expectations, please refer to the chapter titled *"Risk Factors", "Our Business"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 28, 150 and 275 respectively of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views of our Company as of the date of this RHP and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Our Company, our Directors, the Selling Shareholder, members of the Syndicate or any of their respective affiliates or advisors do not have any obligation to, and do not intend 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 ICDR Regulations, our Company and the BRLM will ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

In accordance with requirements of SEBI and as prescribed under applicable law, each of the Selling Shareholder shall ensure that the Bidders in India are informed of material developments, in relation to statements and undertakings specifically undertaken or confirmed by it in relation to itself and its respective portion of the Offered Shares in this RHP until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholder, as the case may be, in this RHP shall be deemed to be statements and undertakings made by such Selling Shareholder.

OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Offer. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including "Risk Factors", "Objects of the Offer", "Our Business", "Industry Overview", "Financial Information" "Outstanding Litigation and Material Developments", "Main Provisions of Articles of Association" and "Offer Procedure" beginning on pages 28, 94, 150, 132, 202, 293, 361 and 335, respectively.

Primary business of our Company

We are a fast-growing multi-product, multi-category consumer adhesives and sealants company. We manufacture a wide range of consumer adhesives and sealants products such as PVC, cPVC and uPVC solvent cement, synthetic rubber adhesive, PVA adhesives, silicone sealant, acrylic sealant, gasket shellac, other sealants and PVC pipe lubricant which are sold across India, through an extensive distribution network of distributors, and exported also to several countries, through network of distributors and direct customers. We also manufacture these products for select third-parties on order basis. Apart from the above products, we also provide ancillary products like ball valves, thread seal and other tapes and FRP products for drainage and architectural solutions that are distributed along with our products to the end- customers through our distribution network.

Industry in which our Company operates

The domestic adhesives and sealants market is broadly categorised into 1) industrial and 2) consumer and bazaar adhesives. The industrial segment caters to B2B industries such as packaging, footwear, paints, automotive, etc. The retail segment caters to industries such as furniture/woodwork, building construction, arts and craft, electrical fittings, etc. PVC adhesives, also known as PVC solvent cement are adhesives, which are used for joining PVC pipes. The process is similar to welding, since it melts two pieces of PVC pipes into a single piece. A PVC adhesive consists of PVC resin, a solvent, and methyl ethyl ketone – which breaks the top layer of the pipes and fittings to be joined together. The single largest application of PVC adhesives is in the PVC pipes industry, where it is widely used to join pipes.

Promoters of our Company

The Promoters of our Company are Mrs. Anjana Haresh Motwani and Mr. Karan Haresh Motwani.

Size of the Offer

Offer[(1)]	Up to 45,97,200 Equity Shares aggregating to ₹ [●] Lakhs
of which	
Fresh Issue[(1)]	Up to 41,40,000 Equity Shares aggregating to ₹ [●] Lakhs
Offer for Sale[(2)]	Up to 4,57,200 Equity Shares aggregating to ₹ [●] Lakhs by the Selling Shareholder

(1) The Offer has been authorized by resolution of our Board dated July 05, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated July 06, 2021.

(2) The Equity Shares being offered by the Selling Shareholder have been held for a period of at least one year immediately preceding the date of this Red Herring Prospectus with the SEBI and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Selling Shareholder has consented to participate in the Offer for Sale pursuant to its consent letter dated July 05, 2021 and has consented to offer up to 4,57,200 Equity Shares in the Offer for Sale. For details of

authorizations received for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 313.

Objects of the Offer:

The proceeds of the Offer are to be utilized for financing the following objects:

(Rs. in Lakhs)

Sr. No.	Particulars	Amount
1.	Funding capital expenditure for existing and proposed expansion	2,550.86
2.	Funding the incremental working capital requirement of our Company	5,400.00
2.	General corporate purpose	[●]
	Total	**[●]**

Aggregate pre-Offer shareholding of the Promoter and Promoter Group members

Category	Number of Equity Shares held	Percentage of pre-Offer paid up capital
Promoters	1,35,67,335	95.31%
Promoter Group	NIL	N.A.

Financial Information:

The following table sets forth summary financial information derived from the restated Financial Statements, prepared in accordance with Ind AS and the Companies Act for the six months period ended September 30, 2021 and 2020, Financial Years ended March 31, 2019, March 31, 2020 and March 31, 2021.

(Rs. in lakhs)

Particulars	For the six months period ended September 30,		For the Fiscal		
	2021	2020	2021	2020	2019
Share Capital	1,423.49	1,300.00	1,300.00	1,300.00	1,300.00
Net Worth	3,756.08	560.49	1,265.89	248.44	1,466.23
Total Income	7,273.23	4,674.89	12,387.96	9,790.75	8,797.64
Profit/ (loss) after tax	310.24	293.42	1,005.97	(467.05)	400.07
Basic and Diluted EPS (in Rs.)	2.22*	2.26	7.74	(3.59)	3.08
Net asset value per share (in Rs.)	26.39	2.26	9.74	1.91	11.28
Total borrowings	2,973.81	3,394.11	4,220.44	3,461.05	2,358.33

**Not annualised*

The restated Financial Statements for the six months period ended September 30, 2021 and 2020 and Financial Years ended March 31, 2019, March 31, 2020 and March 31, 2021 referred to above are presented under *"Financial Information"* on page 202 of this Red Herring Prospectus.

Auditor Qualifications which have not been given effect to in the restated Financial Statements

No reservations, qualifications and adverse remarks have been made by our Auditors in their reports which have not been given effect to in the restated Financial Statements for the six months period ended September 30, 2021 and 2020 and Financial Years ended March 31, 2019, March 31, 2020 and March 31, 2021.

Outstanding Litigations:

A summary of outstanding tax proceedings involving our Company, Directors and Promoters as on the date of this Red Herring Prospectus is provided below.

Sr. No.	Outstanding Litigations	Number of Cases	Financial implications to the extent quantifiable (Rs. in lakhs)
1.	*Filed against our Company*	7	178.77
2.	*Filed by our Company*	3	1095.00
3.	*Filed against our Directors*	2	0.60
4.	*Filed against our Promoters*	1	1.25
5.	*Filed by our Promoters*	1	Not quantifiable

The amounts mentioned above may be subject to additional interest/ penalties being levied by the concerned authorities for delay in making payment or otherwise. The amount of interest/ penalties that may be levied is unascertainable as on date of this Red Herring Prospectus. For further details regarding these tax proceedings, please refer to chapter titled '*Outstanding Litigations and Material Developments*' on page 293 of this Red Herring Prospectus.

Risk Factors

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Red Herring Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. The section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. For further details, please refer to chapter titled *"Risk Factors*" on page 28 of this Red Herring Prospectus.

Contingent Liabilities:

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

As of September 30, 2021, our Company had the following contingent liabilities:

I. Contingent Liabilities

(Rs. in Lakhs)

Sr. No.	Particulars	As at September 30, 2021
1.	Letter of comfort issued to banks	-
2.	Claim against the company not acknowledged as debt	
(i)	Tax matter dispute under appeal (MVAT & CST)*	144.30
(ii)	Income Tax matter dispute under appeal (AY 14-15)	2.70
(iii)	Others – Uncrystallized effect of Bank Guarantees given by company to DC, Central Excise Anti-evasion wing, Mumbai#	51.25
(iv)	Demand raised against short duty paid Under Sec. 11A(10) of Central Excise Act, 1944 (Appeal Filed In Tribunal , Appeal No. E/86416/2021)	2.06
	Total	***200.31***

** Amount paid under protest Rs. 15.87 Lacs included in Other Non-current Assets*
 # Company has already settled the Excise duty dues under Sab Ka Vishwas Scheme in FY 2019-20.

II. Commitments

(Rs. in Lakhs)

Sr. No.	Particulars	As at September 30, 2021
1.	Estimated amount of Contracts remaining to be executed on Capital account and not provided for	-
(i)	Towards Property, Plant & Equipment	286.97
(ii)	Towards Intangible Assets	-
	Total	***286.97***

For further details, please see the *"Annexure XXIX – Restated Contingent Liabilities and Commitments"* under the chapter *"Restated Financial Statements"* on page 255 of this Red Herring Prospectus.

Related Party Transactions:

Following are the details of related party transactions for the six months period ended September 30, 2021 and Fiscals 2021, 2020 and 2019 as disclosed in the Restated Financial Statements:

(Rs. in lakhs)

Name	Relationship	Nature of Transaction	Transactions For the Period Ended 30th Sept, 2021	Amount Receivable / (payable) as at 30th Sept 2021	Transactions For the Period Ended 30th Sept, 2020	Amount Receivable / (payable) as at 30th Sept 2020	Transactions For the Period Ended 31st March, 2021	Amount Receivable / (payable) as at 31st March 2021	Transactions For the Period Ended 31st March, 2020	Amount Receivable / (payable) as at 31st March 2020	Transactions For the Period Ended 31st March, 2019	Amount Receivable / (payable) as at 31st March 2019
HP COMPOSITES LLP	Director is Partner	Business Transactions - Sale	417.29	598.71	-	20.10	109.52	62.13	449.16	154.05	-	-
		Business Transactions - Sale of Assets	183.22		-							
		Business Transactions - Purchase	78.61		396.57		612.19		154.07		-	
		Rental Services Given	6.00		6.00		13.00		165.00		-	
		Job-Work Services Given	-		148.72		346.76		-		-	
ANJANA MOTWANI	Director	Loan Taken	163.39	-	193.45	(199.05)	938.84	(786.41)	1,338.46	(523.54)	100.22	(1,307.92)
		Loan Repaid	949.80		499.44		675.77		814.92		114.23	
		Interest On Partners Capital	-		-		-		-		117.62	
		Share of Profits	-		-		-		-		125.31	
		Remuneration Paid	17.30		2.00		14.60		20.00		10.10	
		Rent Paid	30.00		-		-		-		-	
		Bonus Paid	-		-		4.01		-		-	
KARAN MOTWANI	Director	Loan Taken	750.09	-	0.14	(165.26)	166.58	(164.91)	807.11	(167.10)	47.40	(640.57)
		Loan Repaid	915.00		4.67		168.76		640.01		51.97	
		Interest On Partners Capital	-		-		-		-		57.27	

Name	Relationship	Nature of Transaction	Transactions For the Period Ended 30th Sept, 2021	Amount Receivable / (payable) as at 30th Sept 2021	Transactions For the Period Ended 30th Sept, 2020	Amount Receivable / (payable) as at 30th Sept 2020	Transactions For the Period Ended 31st March, 2021	Amount Receivable / (payable) as at 31st March 2021	Transactions For the Period Ended 31st March, 2020	Amount Receivable / (payable) as at 31st March 2020	Transactions For the Period Ended 31st March, 2019	Amount Receivable / (payable) as at 31st March 2019
		Share of Profits	-		-		-		-		41.77	
		Remuneration Paid	38.45		3.00		21.90		30.00		40.00	
		Rent Paid	30.00		-		-		-		-	
		Bonus Paid	-		-		6.02		-		-	
NIDHI MOTWANI	Director Daughter	Interest Paid on Unsecured Loans	-	(1.55)	-	(56.24)	-	-	18.14	(183.74)	41.14	(342.27)
		Loan Taken	-		75.00		286.00		756.41		1,106.50	
		Loan Repaid	-		202.50		469.74		572.68		805.36	
		Salary Paid	13.80		9.00		21.60		4.00		-	
HP TRADING	Director Prop. Firm	Business Transactions - Sale	-	-	-	75.27	-	47.72	63.20	75.27	-	142.14
		Business Transactions - Purchase	-		-		-		132.50		17.54	
HP SALES CORPORATION	Director Prop. Firm	Business Transactions - Sale	-	-	-	-	-	-	21.97	-	-	28.40
		Business Transactions - Purchase	-		-		-		21.97		-	
HP MARKETING	Director Daughter Prop. Firm	Business Transactions - Sale	-	-	-	22.17	-	-	-	-	-	21.40
		Business Transactions - Purchase	-		-		-		-		71.30	
HP PLASTIC HUF (HARES	Director Father	Business Transactions - Rent Paid	-	-	-	-	-	-	-	-	1.80	(3.60)

Name	Relationship	Nature of Transaction	Transactions For the Period Ended 30th Sept, 2021	Amount Receivable / (payable) as at 30th Sept 2021	Transactions For the Period Ended 30th Sept, 2020	Amount Receivable / (payable) as at 30th Sept 2020	Transactions For the Period Ended 31st March, 2021	Amount Receivable / (payable) as at 31st March 2021	Transactions For the Period Ended 31st March, 2020	Amount Receivable / (payable) as at 31st March 2020	Transactions For the Period Ended 31st March, 2019	Amount Receivable / (payable) as at 31st March 2019
H MOTWANI HUF)	r HUF											
HP PLASTIC KHM (KARAN HARESH MOTWANI HUF)	Director HUF	Loan Taken	-	-	-	-	-	-	-	-	5.50	-
		Loan Repaid	-		-		-		-		5.50	
ADVANCE SOLVENT ADHESIVES	Director Prop. Firm	Business Transactions - Sale	3.11	18.67	1.36	13.74	3.14	15.52	-	-	5.27	8.97
		Business Transactions - Purchase	-				-		-		9.51	

For details of related party transactions of our Company, as per the requirements under Ind AS 24 'Related Party Disclosures' for the six months period ended September 30, 2021 and 2020 and Financial Years ended March 31, 2019, March 31, 2020 and March 31, 2021, please see *"Annexure- XXV – Related Party Transaction"* under the chapter *"Restated Financial Statements"* on page *202* of this Red Herring Prospectus.

Financing Arrangements

There have been no financing arrangements whereby the Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Red Herring Prospectus.

Weighted average price

The weighted average price at which Equity Shares were acquired by our Promoters in the last one year is set forth in the table below:

Name of Promoters	No. of Equity Shares acquired in last one year from the date of this RHP	Weighted Average Price (in Rs.)
Mrs. Anjana Haresh Motwani	5,67,335	174.50

Average Cost of Acquisition

The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of Promoter	No. of Equity Shares held	Average cost of acquisition (in Rs.)
Mrs. Anjana Haresh Motwani	71,97,335	22.97
Mr. Karan Haresh Motwani	63,70,000	10.00

Pre- IPO Placement

Our Company, in consultation with the BRLM, may consider a pre-IPO placement. Any amount raised from the pre-IPO placement will not be reduced from the Fresh Issue.

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

Our Company has not issued Equity Shares for consideration other than cash during the last one year immediately preceding the date of filing the Red Herring Prospectus.

Split/ consolidation of Equity Shares in the last one year

Our Company has not split/ consolidated equity shares during the last one year immediately preceding the date of filing the Red Herring Prospectus.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in theEquity Shares. The risks and uncertainties described below are not the only ones relevant to us or our Equity Shares, theindustry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currentlydo not deem material may also adversely affect our business, results of operations, cash flows and financial condition. Ifany 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 ourEquity Shares could decline, and investors may lose all or part of their investment. To the extent the COVID-19 pandemicadversely 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", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Financial Statements" beginning on pages 150, 132, 149 and 202, respectively, of this Red Herring Prospectus, as well as the other financial and statistical and other information containedin this Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of our Company and our business and the terms of the Offer including the merits and risks involved.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. 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. Prospective investors should pay particular attention to the factthat our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Red Herring Prospectus also contains certain 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 Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 18 of this Red Herring Prospectus.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements included in this Red Herring Prospectus. For further information, see "Restated Financial Statements" beginning on page 202 of this Red Herring Prospectus. Unless the context otherwise requires, in this section, references to "we", "us", "our", "our Company", or "the Company" refers to HP Adhesives Limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Assessment of the Adhesives and Sealants market in India" dated November 2021 (the "**CRISIL Research**") prepared and issued by CRISIL Limited commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Research Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

RISKS RELATING TO OUR BUSINESS

1. Our proposed capacity expansion plans relating to our manufacturing facility are subject to the risk of unanticipated delays in implementation and cost overruns.

We have made and intend to continue making investments to expand the capacity of our manufacturing facility to aid our growth efforts and expand our presence. We intend to use a part of the Net Proceeds towards expansion of our manufacturing facility at Village Narangi, Raigad, Maharashtra. For further information, see "Our Business – Proposed Expansion Plans" and "Objects of the Offer" on pages 161 and 94.

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

The proposed expansion by setting up an additional unit will require us to obtain various approvals, which are routinein nature. In addition to such pending approvals, we may also need to apply for certain additional approvals required for the proposed expansion. There can be no assurance that we will be able to obtain these registrations and approvals in a timely manner or at all. Further, in the event of any unanticipated delay in receiptof such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

2. The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.

The World Health Organization declared the novel coronavirus disease ("**COVID-19**") outbreak a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. The rapid and diffused spread of COVID-19 and global health concerns relating to this pandemic have had a severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn continue to have a material adverse impact on our business, cash flows, results of operations and financial condition, including liquidity and growth. The Company's average monthly net sales during the financial year 2019-20 have been in the range of Rs.750.00 Lakhs to Rs. 900.00 lakhs, however with the onset of the Covid-19 pandemic, our Company experienced a fall in the revenue in the month of April 2020 and May 2020 to Rs. 67.00 lakhs and Rs. 650.00 Lakhs respectively. The same impacted the profitability of our Company as there was minimal change in the fixed cost of the Company. Further, production activities at our manufacturing facility were halted during the period March 22, 2020 to April 16, 2020 which resulted in our production capacity being unutilized for the said period. The average monthly collection from our debtors which is generally in the range of Rs. 1000.00 lakhs to Rs. 1100.00 lakhs experience a decline as we could receive only Rs.210.00 lakhs and Rs 967.00 lakhs in the months of April and May, 2020

respectively. The average period for realization of receivables also increased from around 60-70 days to about 90 days in the month of April 2020 due to the impact of Covid-19. The extent to which the COVID-19 outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 both in India and internationally, which are highly uncertain and cannot be predicted. There is currently substantial medical uncertainty regarding COVID-19. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID- 19 remain uncertain and are likely to be severe.

On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown on March 24, 2020. While progressive relaxations have since been granted for movement of goods and people and cautious re- opening of businesses and offices, lockdowns may be re- introduced in the future. On account of the nationwide lockdown, operations at our manufacturing facility were suspended. This resulted in a decrease in sale of our products particularly during the month of April 2020 and May 2020 on account of government restrictions imposed and additionally on account of cost control measures implemented by our distributors and end-customers. We also experienced disruptions in supply chain and inventory management, as well as delays in orders and payments. In particular, some of our purchase orders were cancelled and/ or deferred by our distributors. While we restarted manufacturing operations at our manufacturing facility with the progressive relaxation of the lockdown, we are required to implement additional safety measures, such as, regular temperature checks, regular sanitization, and compulsory use of masks and hand sanitization, and limited workforce. We have monitored and considered the impact of known events arising from the COVID-19 pandemic including with respect to our liquidity and going concern, recoverable values of property, plant and equipment, intangible assets and the net realisable value of other assets. The management has assessed and concluded that there is no additional impact on account of COVID-19 which is required to be recognised in the Restated Financial Statements. However, we will continue to closely monitor the impact that COVID-19 may have on our business, financial condition, liquidity and results of operations. Adverse effects of the COVID-19 pandemic may also significantly increase the effect of the aforementioned factors affecting our results of operations.

The impact of the pandemic on our business, operations and future financial performance has included and may include the following:

- temporary shutdown of our manufacturing facilities or sales depots due to government restrictions;
- decrease in sales of our products, particularly in the first half of Fiscal 2021 including on account of cost controlmeasures implemented by our distributors and/ or end-customers;
- inability to utilize our workforce including because of travel or government restrictions, such as stay at home orders, or illness of our employees due to COVID-19 and associated quarantining requirements, which resulted in a slowdown in our operations;
- disruptions to our supply chain in terms of raw material sourcing due to temporary closure of the facilities of suppliers, and delivery of finished products due to transportation restrictions;
- delays or indefinite postponement in the future of our proposed expansion plans/ product development activities;
- delays in orders or delivery of orders, and if prolonged may negatively impact our cash conversion cycle andability to convert our backlog into cash;
- inability to collect full or partial payments from distributors due to deterioration in liquidity, including financial distress experienced by distributors;
- inability in the future to access debt and equity capital on acceptable terms, or at all;
- inability in the future to comply with the covenants in our credit facilities and other financing agreements, which could result in events of default and the acceleration of repayment; and
- potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, resulting in a deterioration in our ability to ensure business continuity during this disruption.

Any resulting financial impact due to the above cannot be reasonably estimated at this time. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our distributors, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government- mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether. Existing insurance coverage may not provide protection or coverage for any costs that may arise from all such possible events. For further information, see "Management's Discussion and Analysis on the Financial Conditions and Results of Operations - Auditor's Observations" on page 275 of this Red Herring Prospectus.

Further, we generate a major part of our revenue in India. The effects of COVID-19 in India may be of a greater magnitude, scope and duration than those experienced to date in other countries. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

3. Our ability to grow our business depends on our relationships with our distributors and the community of appliers and any adverse changes in these relationships, or our inability to enter into new relationships and thereby expand our distribution network, could negatively affect our business and results of operations.

Our business is dependent on the decisions and actions of our distributors which is determined by our ability to maintain and strengthen our relationships and arrangements with existing distributors as well as our ability to establish and maintain relationships with new distributors. In addition, as distributors and end-customers are also influenced by appliers, our business is also dependent on the relationships we share with the community of appliers. Our relationship with our distributors and appliers is dependent to a large extent on our ability to regularly meet their requirements, including by introducing products with greater marketability, 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 distributors and appliers. In addition, failure to provide distributors with sufficient inventories of our products may result in lesser sales of our products compared to the demand. There are also a number of factors relating to our distributors and appliers beyond our control that might result in the termination of our arrangement or the loss of a distributor or applier relationship, including change in preferences of our distributors or appliers as well as a demand for price reductions. Further, the deterioration of the financial condition or business prospects of these distributors could affect their ability to maintain inventory and thus reduce demand for our products and could result in a significant decline in the revenues we derive from such distributors. Adverse changes in our relationships with our distributors and appliers, or the inability to develop newproducts for existing distributors or appliers or to successfully establish relationships with new distributors or appliers, could therefore limit our business prospects, which could adversely affect our financial performance. Please also see Risk Factor No. 24" – We are in the process of expanding our operations and establishing a network of distributor in regions where we do not have a significant presence and prior experience. Any failure to expand into these new regions could adversely affect our sales, financial condition, result of operations, and cash flows." on page 43 of this Red Herring Prospectus.

We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor freight forwarding of our products, transportation bottlenecks, natural disasters, infectious disease outbreaks such as the COVID-19 pandemic and labour issues, which could lead to deliveries being delayed or lost, resulting in insufficient inventories at distributor outlets. If we fail to deliver products to distributors in a timely manner, or if our distributors fail to adhere to the terms of our arrangements, our business and results of operations may be adversely affected.

4. ***We do not enter into long-term arrangements with our distributors and any failure to continue our existing arrangements could negatively affect our business and results of operations.***

We sell all our products through our distributor network. We presently do not have any long-term or exclusive arrangements with any of our distributor and we cannot assure you that we will be able to sell the quantities we have historically supplied to such distributors. In the event our competitors' products offer better margins to such distributors or otherwise incentivizes them, there can be no assurance that our distributors will continue to promote our products or place orders with us. Most of our transactions with our distributors are typically on a purchase order basis without any commitment for a fixed volume of business. There can also be no assurance that our distributors will renew their arrangements with us on current or similar terms, or at all. Further, our distributors could change their business practices or seek to modify the terms that we have customarily followed with them, including in relation to their payment terms. While we negotiate product prices and payment terms with our distributors, in the event our distributors alter their requirements, it could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows. In addition, our distributors may also cancel purchase orders at short notice or without notice, which could have an impact on our inventory management. Termination of any of the above mentioned arrangements or frequent cancellation of purchase orders could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Further, in the event our distributors experience any delays in placing orders with us, do not effectively market our products, or if they prefer to market the products of our competitors, it could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows. Our inability to maintain ourexisting distribution network could have a material adverse effect on our sales, business growth and prospects, resultsof operation, financial condition and cash flows. Further, the performance of our distributors, their sales network and theirability to expand their businesses are crucial to the future growth of our business and directly affect our sales volumeand profitability. If any of the distributors fails to distribute our products in a timely manner, or at all, or if our relationshipswith distributors are adversely affected, our profitability could be materially and adversely affected.

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

As of March 31, 2021, we own and operate one manufacturing facility in Village Narangi, Raigad, Maharashtra with an aggregate estimated installed production capacity of 6,098.82 KLPA for solvent cement, 2,491.20 MTPA for other adhesives and 783.36 MTPA for sealants. Our ability to maintain our profitability depends on our ability to optimize the product mix to support high-margin products and products with consistent long-term demand; and the demand and supply balance of our products in the principal and target markets. In particular, the level of our capacity utilization can impact our operating results. Capacity utilization is also affected by our product mix and the demand and supply balance.

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by, our distributors. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. Further, we have made certain investments for the expansion of our manufacturing capacity in the past and intend to use a part of the Net Proceeds towards expansion of our manufacturing facility located in Village Narangi, Raigad, Maharashtra. Our proposed expansion plans are based on demand forecasts that are subject to various assumptions including product trends in the industry, inventory management at distributor outlets, weather conditions and seasonality in the industry, and end-customer spending preferences, that are based on prevailing

economic conditions. Adequate utilization of our expanded capacities is therefore subject to various factors beyond our control and in case of oversupply in the industry or lack of demand, we may not be able to utilise our expanded capacities efficiently. The success of any capacity expansion and expected return on investment on capital invested 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 and utilize the expanded capacities as anticipated. Please also see Risk Factor No. 16 "Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control" and Risk Factor No. 1 "Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns" on pages 39 and 29, respectively, of this Red Herring Prospectus.

In Fiscals 2019, 2020 and 2021, our overall capacity utilization for solvent cement was 54%, 57% and 51%, respectively, for other adhesives was 7,48%, 20.74 % and 34.30%, respectively and for sealants was 7,71%, 38.08% and 52.92%, respectively. For further information, see "Our Business - Capacity and Capacity Utilization" on page 160 of this Red Herring Prospectus. These rates are not indicative of future capacity utilization rates, which is dependent on various factors, including demand for our products, availability of raw materials, our ability to manage our inventory and improve operational efficiency. Under-utilizationof our manufacturing capacities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

6. We do not have long-term agreements with our suppliers for raw materials and an inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a material adverse effect on our business, results of operations, financial condition and cash flows.

Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. Our major raw materials include solvents, resins and other additives. For further information, see "Our Business – Procurement of Raw Materials" beginning on page 162 of this Red Herring Prospectus. We depend on external suppliers for all the raw materials required and typically purchase raw materials on a purchase order basis and place such orders with them in advance on the basis of our anticipated requirements. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. The absence of long-term supply contracts subjects us to risks such as price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions. Some portion of our raw materials are also imported. As a result, we continue to remain susceptible to the risks arising out of raw material price fluctuations as well as import duties, which could result in a decline in our operating margins. If we cannot fully offset the increase in raw material prices with increase in the prices for our products, we will experience lower margins, which in turn may have a material adverse effect on our results of operations, financial condition, and cash flows. In the absence of such contracts we are also exposed to the risk of unavailability of certain raw materials in desired quantities and qualities, in a timely manner or at all.

Although we have not faced significant disruptions in the procurement of raw materials in the past, the COVID-19 pandemic temporarily affected our ability to source raw materials from certain vendors who were unable to transport raw materials to us. There can thus, be no assurance that in future we will be able to procure the required quantities and quality of raw materials commensurate with our requirements. In Fiscals 2019, 2020 and 2021 and six months periods ended September 30, 2021 and 2020, the cost of raw materials and components consumed represented 65.34%, 65.13%, 68.74%, 72.77% and 68.08% respectively, of our revenue from operations. There can also be no assurance that a particular supplier will continue to supply us with raw materials in the future. Any delay in supplying finished products to distributors in accordance with the terms and conditions of the purchase orders, such as delivery within a

specified time, as a result of delayed raw material supply, could result in the distributor refusing to accept our products, which may have an adverse effect on our business and reputation. Further, we cannot assure you that we will be able to enter into new or renew our existing arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability.

Further, as we generally have short-term arrangements for supply of our products to distributors, we rely on historical trends and other indicators to purchase the required quantities of raw materials. We, therefore, run the risk of purchasing more raw materials than necessary, which could expose us to risks associated with prolonged storage of some of these materials, and materially affect our results of operations. Conversely, if our distributors place orders for greater quantities of products compared to their historical requirements, we may not be able to adequately source the necessary raw materials in a timely manner and may not have the required available manufacturing capacity to meet such demand. In addition, if all or a significant number of our suppliers for any particular raw material are unable or unwilling to meet our requirements or our estimates fall short of the demand, we could suffer shortages or significant cost increases. Continued supply disruptions could exert pressure on our costs, and we cannot assure you that all or part of any increased costs can be passed along to our distributors in a timely manner or at all, which could negatively affect our business, overall profitability and financial performance.

7. We have incurred borrowings from commercial banks and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.

We have entered into agreements with banks for short-term and long-term borrowings. As of March 31, 2021 and as of September 30, 2021, we had Total Borrowings (consisting of borrowings under non-current liabilities, current maturities of long-term debts and borrowings under current liabilities) of ₹ 4,220.44 Lakhs and Rs. 2973.81 lakhs, respectively, which comprises of secured loans from ICICI Bank and IndusInd Bank, unsecured loans from our Promoters and vehicle loans. Certain agreements that we have entered into contain restrictive covenants, including requirements that we obtain consent from the lenders prior to undertaking certain matters such as availing fresh credit facility, giving fresh loans and advances, opening/ maintaining new bank accounts issuing corporate guarantee etc. Any failure to service such indebtedness, or otherwise perform any obligations under such financing agreements may lead to a termination of one or more of our credit facilities or incur penalties and acceleration of payments under such credit facilities, which may adversely affect our business and financial condition.

Further, we are required to, among other obligations, comply with certain financial covenants including maintaining the prescribed inventory margins, insurance covers on the hypothecated properties and lien creation. Our hypothecated assets comprise of our stock of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable current assets including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Any fluctuations in the interest rates may directly impact the interest costs of such loans, and affect our business, financial condition, results of operations and prospects. Our ability to make repayments and refinance our indebtedness will depend on our continued ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. For further information including in relation to hypothecated properties, please see "Financial Indebtedness" beginning on page 291 of this Red Herring Prospectus.

Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of our credit facilities, foreclosure on our assets, acceleration of all amounts due under such facilities or trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans.

8. We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for such capital expenditure machinery.

We intend to utilise a portion of the Net Proceeds for funding capital expenditure for expansion of the production capacity towards purchase of machinery, equipment and utilities at our manufacturing facility at Village Narangi, Raigad. While we have obtained quotations from different vendors in relationto the major machinery and equipment required for funding such capital expenditure, we are yet to place orders for such machinery and equipment. Accordingly, orders worth ₹ 2,308.10 Lakhs, which constitute 94.84% of the total estimated costs in relation to expansion of the production capacities at Village Narangi, Raigad are yet to be placed. There can be no assurance that we will be able to place orders for such machinery and equipment in a timely manner or at all. Further, in the event of any delay in placement of such orders, the proposedschedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

9. Fluctuation in the prices of petro-chemicals which are affected by the prices of crude oil may affect our ability to price our products competitively.

The raw materials we use in our manufacturing process are primarily sourced from third party suppliers. Our raw materials include solvents, resins and other additives that are manufactured using derivatives of crude oil. Prices of these principal raw materials are subject to changes in the prices of crude oil and other petrochemical intermediates which are linked to international prices and are susceptible to significant volatility from time to time. As a result, we continue to remain susceptible to the risks arising out of raw material price fluctuations and in particular fluctuation of crude oil prices which could result in declining operating margins. While the variation in the price of such raw materials is typically passed on to the customer, our inability to do so in the future could adversely affect our ability to price our products competitively. Please also see the Risk Factor No. 6, " – We do not have long- term agreements with our suppliers for raw materials, and an inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a material adverse effect on our business, results of operations, financial condition, and cash flows." on page 33 of this Red Herring Prospectus.

10. We have had negative cash flows in the past and it is possible that we may experience negative cash flows in the future.

The table below sets forth selected information from our statements of cash flows in the periods indicated below:

(Rs. in Lakhs)

Particulars		For the year ended March 31,		
	Six months period Ended Sep 30, 2021	2021	2020	2019
Net cash (used in)/ generated from operating activities	(743.97)	2152.92	283.70	228.90
Net cash (used in)/ generated from investing activities	(845.40)	(1,622.70)	(409.36)	(358.90)
Net cash (used in)/ generated from financing activities	1,574.57	(522.77)	10.37	142.69
Net increase/ (decrease) in cash and cash equivalents	(14.80)	7.46	(115.30)	12.74
Cash and Cash Equivalents at the beginning of the period	83.10	75.65	190.95	178.21
Cash and Cash Equivalents at the end of the period	68.30	83.10	75.65	190.95

For further details please refer chapters titled "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 202 and 275 respectively.

11. Our Company has incurred losses in the past.

Our Company has incurred a loss of Rs. 467.05 Lakhs in the Financial Year 2019-20. During the said Financial Year, our Company had incurred an aggregate loss of INR 743.71 Lakhs due to exceptional item of settling tax claims/ disputes under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 and Maha VAT Amnesty Scheme. There can be no assurance that our Company will not incur losses in the future or that there will not be an adverse effect on our Company's reputation or business as a result of such losses.

For further details please refer chapter titled "Restated Financial Statements" beginning on page 202 of this Red Herring Prospectus.

12. We are required to obtain, renew or maintain certain statutory and regulatory permits and approvals required to operate our business and if we fail to do so in a timely manner or at all and our business, financial conditions, results of operations, and cash flows may be adversely affected.

Our operations are subject to government and statutory regulations and we are required to obtain and maintain several permits, consents and regulations and approvals under central, state and local government rules for operating our business generally for our manufacturing facility and depots. While we believe that we have obtained the necessary and material approvals, licenses, registrations and permits from the relevant authorities, there could be instances where we may not have applied, obtained or applied with a delay for certain requisite approvals applicable to us. For instance, we did not have the necessary consents to establish or operate our manufacturing facility at Village Narangi, Raigad, Maharashtra under the pollution control laws prior to July 2015, registration under Employees' State Insurance Act prior to January 2021, etc. Further, we may have breached certain limits as permitted in the approvals, licenses, registrations or permits previously obtained. For instance, we have breached the production limit by 260 MT per month, 300 MT per month and 350 MT per month on an average, during the Fiscals 2019, 2020 and 2021 respectively. While we usually stay within the limits, we cannot assure you that no action will be taken against us for such breach. Penalties may be levied against our Company for the breach of limits which may adversely affect the financial position of our Company. We also need to apply for renewal, from time to time, of some of such approvals, licenses, registrations and permits, which expire or seek fresh approvals, as and when required, in the ordinary course of our business. While we generally apply for the renewal of approvals in a timely manner, we cannot assure that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected. Further, there may also be delay in applying for renewal or receiving the grant of such approval due to COVID-19 pandemic.

There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could adversely affect our related operations. Further, under such circumstances, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/ penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all.

The approvals required by us are also subject to numerous conditions including, among others, quantum of raw materials to be used, fire and safety measures, etc. Further, in some cases, consent of relevant authorities is required in case there is any modification/ alteration/ change in product mix. The conditions and the obligation to renew the approval or license at regular intervals are also prescribed in such approvals and licenses. We cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or cancelled or revoked in the event of non-compliance or alleged non-compliance with any terms

or conditions thereof, or pursuant to any regulatory action. We have not, in the past, taken consents and registration as required under the applicable environmental laws and Contract Labour (Regulation and Abolition) Act, 1970. We cannot assure you that non-compliances will not occur in the future or that we may not be subject to any penalties in relation to such non-compliances which may affect our profitability, business, financial condition and results of operations. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business, financial conditions, results of operations, and cash flows.

13. A significant portion of our domestic sales are derived from the western zone and any adverse developments in this market could adversely affect our business.

Set forth below is certain information on our geography-wise domestic revenue from operations for the periods indicated:

Zone	Break-up of total domestic revenue from operations (%)			
	Six months period ended September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
West	53.65%	47.03%	50.20%	53.98%
South	20.14%	24.13%	23.49%	23.17%
North	18.10%	22.01%	20.47%	17.54%
East	8.11%	6.83%	5.83%	5.31%
Total	100.00%	100.00%	100.00%	100.00%

**The revenue considered for the above information is before Sales Returns and Turnover Discount.*

We have historically derived a significant portion of our revenue from sales in the western zone. In Fiscal 2021 and six months period ended September 30, 2021 the revenue generated from sales in western zone represented 47.03% and 53.65% respectively of our revenue from domestic sales. Accordingly, any materially adverse social, political or economic development, natural calamities, civil disruptions, regulatory developments or changes in the policies of the state or local government in this region could adversely affect our manufacturing and distribution activities, result in modification of our business strategy or require us to incur significant capital expenditure, whichwill in turn have a material adverse effect on our business, financial condition, results of operations, and cash flows. Further, our sales from this region may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease such as COVID-19. Our failure to effectively react to these situations or to successfully introduce new products or services in these markets could adversely affect our business, prospects, results of operations, financial condition, and cash flows. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

14. Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing facility included in this Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.

Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing facilities included in this Red Herring Prospectus are based on various assumptions and estimates of our management that have been takeninto account by an independent chartered engineer in the calculation of the installed manufacturing capacity of, and actual productions volumes at, our manufacturing facility. The assumptions and estimates include the standard capacity calculation practices of the adhesives and sealants industry after examining the period during which the manufacturing facility operated in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies, and taking into account the number

of working days in a year, number of days in a month, number of shifts in a day, and average number of batches per day. Actual manufacturing capacity, production levels and utilization rates may therefore vary from the information of our manufacturing facilities included in this Red Herring Prospectus or from the historical installed manufacturing capacity information of our manufacturing facilities depending on the product type. Accordingly, undue reliance should not be placed on our historical installed capacity information for our existing facilities included in this Red Herring Prospectus.

15. Our inability to collect receivables from our distributors or default in payment by them could result in the reduction of our profits and affect our cash flows.

Our operations involve extending credit for extended periods of time to our distributors in respect of our products and consequently, we face the risk of non-receipt of these outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with our distributors. While we have not adopted any credit policy, we typically operate on pre-sanctioned credit limits with distributors and cannot guarantee that our distributors will not default on their payments. Our inability to collect receivables from our distributors in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows. In Fiscals 2019, 2020 and 2021 and six months periods ended September 30, 2020 and 2021, our trade receivables were ₹ 2240.84 Lakhs, ₹ 1979.85 Lakhs, ₹ 2286.61 Lakhs, ₹ 1937.71 Lakhs and ₹ 2880.79 Lakhs respectively, which represented 25.63%, 20.73%, 19.35%, 43.13% *(not annualised)* and 40.85% *(not annualised)* of our revenues for such periods respectively. Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy for our distributors and as a result could cause distributors to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. During the Fiscals 2019, 2020 and 2021 and six months period ended September 30, 2020 and 2021, our bad debts were ₹101.29 Lakhs, ₹ 1.88 Lakhs, ₹ 2.05 Lakhs, ₹ 1.95 Lakhs and ₹ 59.77 Lakhs respectively. An increase in bad debts or in defaults by our distributors may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

16. Our funding requirements and proposed deployment of the Net Proceeds are based on management's estimates and may be subject to change based on various factors, some of which are beyond our control.

Our funding requirements and deployment of the Net Proceeds are based on internal management's estimates based on current market conditions and have not been appraised by any bank or financial institution. Our funding requirements may be subject to change based on various factors which are beyond our control. While we intend to deploy the Net Proceeds towards the Objects from listing of the Equity Shares pursuant to the Offer till FYE 2024, as more particularly disclosed in the section titled "Objects of the Offer" on page 94 of this RHP, the actual deployment of funds will depend on a number of factors including market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital. We cannot assure you that the deployment of Net Proceeds will take place within the aforesaid period, as currently intended. Depending upon the above factors, we may have to reduce or extend the deployment period for the stated Objects beyond the estimated period, at the discretion of our management. For further details, see "Objects of the Offer" beginning on page 94 of this Red Herring Prospectus.

17. Our Company, its Promoters and Directors are party to certain legal proceedings. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.

Our Company, Promoters and Directors are currently involved in certain legal proceedings in India which are pending at different levels of adjudication before the concerned authority/ forum, details whereof are as follows:

Sr. No.	Outstanding Litigations	No. of Outstanding Matters	Financial implications to the extent quantifiable (Rs. in Lakhs)*
1.	*Against our Company*		
	a. Tax Proceedings		
	i. Direct Tax	1	2.70
	ii. Indirect Tax	6	176.27
2.	*By our Company*		
	a. Civil Proceedings	1	1,095.00
	b. Criminal Proceedings	2	*Not ascertainable*
3.	*Against our Directors* (*other than Promoters*)		
	a. Tax Proceedings		
	i. Direct tax proceeding	2	0.60
4.	*Against our Promoter*		
	a. Tax Proceedings		
	i. Direct Tax	1	1.25
5.	*By our Promoter*		
	a. Criminal Proceedings	1	*Not ascertainable*

* *To the extent quantifiable, excluding interest and penalty thereon.*

We cannot assure you that these proceedings will be decided in favour of our Company, Promoters or Directors, as the case may be. Any adverse decision in such proceedings may render us liable to penalties and may have a material adverse effect on our reputation, business and financial condition. Additionally, during the course of our business we are subject to risk of litigation in relation to contractual obligations, employment and labour law related, personal injury and property damage, etc.

For further information, please see "*Outstanding Litigation and Other Material Developments*" beginning on page 293 of this RHP.

18. We may not be able to identify or effectively respond to evolving preferences, expectations or trends in a timely manner, and a failure to derive the desired benefits from our product development efforts may impact our competitiveness and profitability.

The success of our business depends in part on our ability to anticipate, identify and respond promptly to evolving trends in demographics and preferences, customer expectations, needs and demands, and develop new/ products to meet these requirements. Our success is dependent on our ability to identify and respond to the economic, social, and other trends that affect demographic and end- customer preferences in a variety of our adhesives categories.

We cannot assure you that our future product development initiatives will be successful or be completed within the anticipated period or budget, or that our newly developed or improvised products will achieve wide market acceptancefrom our distributors. Even if these products have been successfully developed, there is no guarantee that they will be accepted by our distributors and achieve anticipated sales targets in a profitable manner, which may affect our ability to grow our network of distributors and gain market share. In addition, there can be no guarantee that the time and effort that we spend in developing these products would be beneficial to our Company. This could also adversely affect our ability to pursue our growth

strategy of continuing to develop niche and products to grow our market share. Further, we cannot assure you that our existing or potential competitors will not develop products that are similar or superior to our products. It is often difficult to estimate the time to market new products and there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the development of such product. If we fail in our product launching efforts, our business, prospects, financial condition, results of operations, and cash flows may be materially and adversely affected. Further, we have collaborated with third parties in the past to support some of our processes which relations have ended recently. The termination of such relationships may affect the acceptance of our products which may adversely affect our business operations, revenues and cash flows.

Further, as we continue to grow our business by expanding our products, brand offerings and our geographic reach, maintaining quality and consistency may be more difficult and there can be no assurance that the distributors' confidencein our brand will not diminish. Failure or any delay on our part to identify such trends, to align our business successfully and maintain quality could negatively affect our brand image, our relationship with our distributors, the rate of growth of our business, our market share and our prospects.

19. Inability to protect, strengthen and enhance our existing brand could adversely affect our business prospects and financial performance.

Our business reputation and the brands under which we sell products are critical to the success of our business. While we have been making consistent efforts to strengthen the brands, various factors, some of which are beyond our control, are critical for maintaining and enhancing our brand, and if not managed properly, may negatively affect our brand and reputation. These include our ability to effectively manage the quality of our products; increase brand awareness among existing and potential dealers and end-customers; adapt our advertising and promotion efforts to emerging industry standards; and protect the intellectual property related to our brand. Please also see Risk Factor No. 26 *"We may not be able to adequately protect or continue to use our intellectual property. In addition, the use of our brands or similar trade names by third parties could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows."* on page 44.

Our success in marketing our existing and new products depends on our ability to adapt to a rapidly changing marketing and media environment, including our increasing reliance on direct promotional initiatives. There can be no assurance that our marketing efforts will be successful in maintaining our brand and its perception with distributors and/ or result in increased sales in the future. Also, we may not necessarily increase or maintain our sales promotion spends in proportion to our growth in the future, which may result in limited marketing initiatives. Our inability to adapt to evolving marketing trends at the same pace as our competitors may adversely affect our ability to effectively compete in terms of our brand equity.

Our brands could also be negatively impacted if we fail to maintain our established standards of service, or if our products fail to meet the expectation of our distributors and appliers that distribute and use our products. Any allegations of deterioration in product quality even when false or unfounded, could tarnish the image of our brands and may cause our distributors, appliers and end-customers to choose other competing products. Any negative publicity regarding us, our brands, our products or the adhesives industry generally could adversely affect our reputation and our results of operations. In addition, counterfeit products, product defects, and ineffective promotional activities are all potential threats to the image and potency of our brand. Our failure to develop, maintain and enhance our brand may result in decreased revenue and loss of customers, and in turn adversely affect our reputation, business, financial condition, results of operations, and cash flows.

20. We engage in a highly competitive business and any failure to effectively compete could have a material adverse effect on us.

The Indian consumer adhesives market is primarily dominated by Pidilite Industries Ltd. that has an aggregate market share of 60-65%, as the industry presents significant entry barriers (Source: CRISIL

Research). These market entry barriers include the development of an extensive distribution network through long-term relationships with distributors as well as significant marketing costs and the establishment of a distinct brand to gain product acceptance. We compete on the basis of the strength of our products, distribution network and brand recognition. As a result, to remain competitive in our markets, we must continuously strive to manufacture products, expand our distribution network, enhance our brand and improve our operating efficiencies.

Each product category has several organised as well as unorganised players, with organised players commanding over 75% of the market (Source: CRISIL Research). Our competitors, therefore, also include companies that have established their presence in specific regions. These competitors may limit our opportunity to increase our market share as a result of a stronger distributor network in such regions and may also compete with us on pricing of products. We may also face competition from new entrants in the market, who may be leveraging the goodwill generated from their other businesses to gain market share in the adhesives industry. Similarly, consolidation in the Indian adhesives industry and an increase in the number of larger competitors may also adversely affect our results of operations. As adhesives manufacturers consolidate and become larger, they gain access to a larger base of distributors and appliers, resulting in greater competition, which may lead to lower margins and adversely affect our results of operations.

Some of our competitors may have larger business operations, may be diversified with operations across India, may have greater financial resources than we do, may have access to a cheaper cost of capital and may be able to produce adhesives more efficiently or invest larger amounts of capital into their businesses in terms of strengthening their brands and expanding their distribution networks. Our business could be adversely affected if we are unable to compete with our competitors and sell adhesives at competitive prices. For example, if any of our competitors strengthens their brand and caters to the markets we are present in through products, our business and results of operations could be adversely impacted. Our competitors may also introduce new and more competitive products and strengthen their supply chain management, make strategic acquisitions or establish relationships among themselves or with third parties, including appliers/ distributors of our products, thereby increasing their ability to address the needs of our target customers. An inability to effectively compete in terms of branding, providing competitive and products or services or expand into new markets, could have a material negative effect on our business, financial condition and growth prospects.

21. Our Restated Financial Statements disclose certain contingent liabilities which if materialize, may adversely affect our business, financial condition, cash flows and results of operation.

As of September 30, 2021, our contingent liabilities as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, were as follows:

Contingent Liabilities

(Rs. in Lakhs)

Sr. No.	Particulars	As at September 30, 2021
1.	Letter of comfort issued to banks	-
2.	Claim against the company not acknowledged as debt	
(i)	Tax matter dispute under appeal (MVAT & CST)*	144.30
(ii)	Income Tax matter dispute under appeal (AY 14-15)	2.70
(iii)	Others – Uncrystallized effect of Bank Guarantees given by company to DC, Central Excise Anti-evasion wing, Mumbai#	51.25
(iv)	Demand raised against short duty paid Under Sec. 11A(10) of Central Excise Act, 1944 (Appeal Filed In Tribunal , Appeal No. E/86416/2021)	2.06
	Total	***200.31***

**Amount paid under protest Rs. 15.87 Lacs included in Other Non-current Assets*

 # Company has already settled the Excise duty dues under Sab Ka Vishwas Scheme in FY 2019-20.

Commitments

(Rs. in Lakhs)

Sr. No.	Particulars	As at September 30, 2021
1.	Estimated amount of Contracts remaining to be executed on Capital account and not provided for	-
(i)	Towards Property, Plant & Equipment	286.97
(ii)	Towards Intangible Assets	-
	Total	***286.97***

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition, results of operations, and cash flows. For further information on our contingent liabilities as per Ind AS 37, see *"Restated Financial Statements – Annexure XXIX – Restated Contingent Liabilities and Commitments"* beginning on page 255 of this Red Herring Prospectus.

22. Any unscheduled or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition, results of operations and cash flows.

Any unscheduled or prolonged disruption of our manufacturing operations, including power failure, fire and unexpected mechanical failure of equipment, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents or any significant social, political or economic disturbances, or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to manufacture our products and adversely affect sales and revenues from operations in such period. The production activities at our manufacturing facility were halted during the period March 22, 2020 to April 16, 2020 which resulted in our production capacity being unutilized for the said period. The occurrence of any such incidents could also result in a destruction of certain assets and adversely affect our results of operations. Any such disruption may interrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities that may involve additional time and increase our costs. In particular, due to the COVID-19 pandemic, operations at our manufacturing facility were temporary suspended in the month of April 2020 owing to the lockdown imposed by the Government, and we subsequently resumed operations in a phased manner in May 2020. Further, in the first quarter of Fiscal 2022 there were market disruptions due to restrictions imposed by state governments on account of COVID-19 which impacted our revenues. Our distributors rely on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, our distributor relationships, business, financial condition, results of operations and cash flows, may be adversely affected by any disruption of operations at our manufacturing facilities, including due to any of the factors mentioned above.

Disruptions in our manufacturing operations could delay production or require us to temporarily cease operations at our manufacturing facilities. We may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved. As regulatory approvals are site specific, we may be unable to transfer manufacturing activities to another location immediately. Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facilities, to the extent that all outstanding orders will be fulfilled in a timely manner. In the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to make alternate arrangements for supplies and products in order to meet our production requirements, which could affect our profitability.

23. We are dependent on third-party transportation providers for the supply of raw materials and delivery of our finished products.

Our success depends on the supply and transport of the various raw materials required for our manufacturing facilities and of our finished products from our manufacturing facilities to our depots and further to our distributors, which are subject to various uncertainties and risks. We use third-party freight and transportation providers for the delivery of our products to distributors. We maintain marine cargo open insurance policy to cover any damage to our products during transit. Transportation strikes, if any, could have an adverse effect on supplies and deliveries to and from our distributors and suppliers. Further, on account of the COVID-19 pandemic, our manufacturing operations were shut down and our third-party transportation providers' operations were also closed during the lockdown imposed by the Government.

In addition, raw materials and finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be a delay in delivery of raw materials and products which may also affect our business and results of operations negatively. Our average stock of finished goods for the Fiscals 2019, 2020 and 2021 and six months periods ended September 30, 2020 and 2021 was Rs. 437.65 Lakhs, Rs. 801.09 Lakhs, Rs. 1356.50 Lakhs, Rs. 977.54 Lakhs and Rs. 1690.96 Lakhs respectively and raw material for the Fiscals 2019, 2020 and 2021 and six months periods ended September 30, 2020 and 2021 was Rs. 655.27 Lakhs, Rs. 821.28 Lakhs, Rs. 1058.63 Lakhs, Rs. 901.77 Lakhs and Rs. 1421.38 Lakhs respectively. In the event we fail to maintain a sufficient volume of raw materials and delivery of such materials to us is delayed, we may be unable to meet distributor orders in a timely manner or at all, which could result in the distributor's inability to meet end-customer orders. Any such inability may result in loss of sales opportunities that our competitors may capitalize on, thereby adversely affecting our business, financial condition, results of operations and cash flows. Any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected distributors We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. Our freight and forwarding charges were ₹ 27.42 Lakhs, ₹ 28.94 Lakhs, ₹ 53.75 Lakhs, ₹ 12.46 Lakhs and ₹ 37.46 Lakhs in Fiscal 2019, 2020 and 2021 and six months periods ended September 30, 2020 and 2021 respectively. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations or passing these charges on to our customers, which could adversely affect demand for our products.

24. Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations.

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase of raw materials and collection of receivables post sales to customers. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements as well as extend credit period to customers as per the industry practice, thus increasing our storage and working capital requirements. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments and hence we may need to incur additional indebtedness in the future, or utilize internal accruals to satisfy our working capital needs. Our future success depends on our ability to continue to secure and successfullymanage sufficient amounts of working capital. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions and the effect of events such as the COVID-19 pandemic, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. For instance, as a result of the COVID-19 pandemic, some of our distributors had requested for modifications to their payment terms, which temporarily increased our cash flow requirements.

As we pursue our growth plan, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to payour debts, it could materially and adversely affect our business and results of operations. Management of our workingcapital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations.If we are unable to manage our working capital requirements, our business, results of operations, financial condition, and cash flows could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations, financial condition, and cash flows. For furtherinformation on the working capital facilities currently availed of by us, see "Financial Indebtedness" beginning on page 291 of this Red Herring Prospectus.

25. We are in the process of expanding our operations and establishing a network of distributors in regions where we do not have a significant presence or prior experience. Any failure to expand into these new regions could adversely affect our sales, financial condition, result of operations and cash flows.

In order to cater to the growing market demand for our products and expand our presence across India, we are in the process of deepening our presence in rural and semi-urban regions of the states where we have been present for a considerable period. We may not possess the same level of familiarity with the economic condition, distributor network, end-customer base and commercial operations in the new regions we propose to enter into and therefore, we will be initially exposed to a degree of risk in realization and volume of sales. There can be no assurance that our expansion plans in these new regions will be successful, as our competitors may have more established brands, more experience in trends and deeper relationships with distributors in these regions. Further, having limited or no presence in such new regions as compared to some of our competitors, may lead to lower product pricing due to lack of brand presence and higher expenditure on brand building. As a result, it may be more expensive for us to manufacture and/ or distribute adhesives in these new regions and it may take longer to reach expected sales and profit levels than anticipated, which could affect the viability of these operations or our overall profitability. There can be no assurance that our products will gain market acceptance or meet the particular requirements of distributors and customers in these new markets and regions. If we do not successfully establish our operations, reputation and brand image in this these new markets and regions, our sales, financial condition, results of operations and cash flows could be materially and adversely affected.

26. Our Company's logo and some other trademarks are not registered as on date of this Red Herring Prospectus. However, applications for registration our trademarks have been filed with the trademarks authority. We may be unable to adequately protect our intellectual property and/ or be subject to claims alleging breach of third-party intellectual property rights.

As on date of this Red Herring Prospectus, we have 22 applications pending under the Trademarks Act, 1999 to register our brands in the name of our Company with the trademark authority out of which 11 are objected and hence, we do not enjoy the statutory protections accorded to registered logo and brands. These applications are at different stages of approval and some of them have been marked as objected by the relevant authority. Further, we have 22 trademarks including our logo ' ', ' STRONG WELD ', ' STRONG FIX ', ' hp ' and other brands which have been registered in the name of our Company and M/s. HP International. We have initiated appropriate steps for getting some of such registered

trademarks transferred / transmitted from M/s. HP International in favour of our Company. Out of the trademarks owned by us, one trademark namely 'Neobond' under class 1 is disputed. Further, in the past 13 of our applications have been rejected out of which 4 have been re-applied. We cannot assure you that our applications for registration / transfer / transmission of our logo and brands will be granted by the relevant authorities in a timely manner or at all. Our logo and other brands are significant to our business and operations. The use of our logo or other brands by third parties could adversely affect our reputation which could, in turn, adversely affect our business and results of operations. In the event our application is rejected by trademarks registry, our business, financial condition results of operation and cash flows would be adversely affected. Obtaining, protecting and defending intellectual property rights can be time consuming and expensive and may require us to incur substantial costs, including the diversion of the time and resources of management and technical personnel.

Further, while we endeavour to ensure that we comply with the intellectual property rights of others, there can be no assurance that we will not face any intellectual property infringement claims brought by third parties that may require us to introduce changes to our operations. Any claims of infringement, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims and may divert the efforts and attention of our management and personnel away from our business. We could be required to pay third party infringement claims. In such cases, our financial conditions and business operations may be adversely impacted.

27. We may not be able to adequately protect or continue to use our intellectual property. In addition, the use of our brands or similar trade names by third parties could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows.

We currently sell our products in India through a network of distributors, who further distribute our products to the end-use customers. We primarily sell our adhesive products under our brand labels *inter alia* "HP" and "Strong Weld". We have registered certain trademarks in India (in the name of M/s. HP International) and may apply for further registrations in the future. The registration of intellectual property including trademarks is a time-consuming process and there can be no assurance that any registration applications we may pursue will be successful and that such registration will be granted to us. If we fail to register the appropriate intellectual property, or our efforts to protect relevant intellectual property prove to be inadequate, the value attachedto our brand and proprietary property could deteriorate, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows.

In particular, the use of "HP" or "Strong Weld" or similar trade names by third parties may result in confusion among our customers and we are exposed to the risk that entities in India and elsewhere could pass off their products as our products, including spurious or imitation or look-alike products. For example, other manufacturers imitating our brands, and packaging design and material selling spurious products may adversely affect sale of our products, resulting in a decrease in market share due to a decrease in demand for our products. Such imitation or spurious products may not only result in loss of sales but also adversely affect the reputation of our brand and consequently our future sales and results of operations. In addition, a few of the products that we resell are manufactured by third-parties that also affix the logo of our brands on such products. As we engage with these third-party manufacturers, there can be no assurance that such third-parties will not misuse the "HP" brand or affix it on products not authorized by us. In the event of such unauthorized use, we may be compelled to pursue legal action for the protection of our brand and intellectual property, which may divert our attention and resources thereby affecting our business operations.

Further, we protect most of our intellectual property including product and process improvements by relying on trade secret laws and confidentiality agreements. Our efforts to protect our intellectual property may not be adequate. Unauthorized parties may infringe upon or misappropriate our services or proprietary information. While our domain names cannot be copied, we may be unable to renew registration of our domain names and other parties could create an alternative domain name resembling ours that could be

passed off as our domain name. In addition, despite our efforts to comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our processes, obtain additional licenses or cease significant portions of our operations. We may also be susceptible to claims from third- parties asserting infringement and other related claims. Regardless of their merits, such claims could materially and adversely affect our relationships with current or future distributors, result in costly litigation, delay or disrupt provision of services, divert management's attention and resources, subject us to significant liabilities, require us to enter into royalty or licensing agreements or require us to cease certain activities. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and cash flows.

28. Stringent environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures.

Our operations are subject to environmental, health and safety and other regulatory and/ or statutory requirements in the jurisdictions in which we operate. We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India. Non-compliance with these laws and regulations could expose us to civil penalties, criminal sanctions and revocation of key business licenses. Environmental laws and regulations in India are becoming more stringent and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment and emissions management.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations, financial condition, or cash flows. In addition, we could incur substantial costs, our products could be restricted from entering certain markets and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

29. Our manufacturing activities are dependent on the delivery of adequate and uninterrupted supply of electrical power at a reasonable cost. Any shortage or any prolonged interruption or increase in the cost of power could adversely affect our business, result of operations, financial conditions and cash flows.

Adequate and cost effective supply of electrical power is critical to our operations. We have our manufacturing facility in Village Narangi, Raigad, Maharashtra which depends on the delivery of an adequate supply of electrical power. We rely upon diesel generator sets to ensure continuity of operations in case of power outage. There have been no major instances of power failure in the last three years save and except the loss of power for two consecutive days in June 2020 on account of the cyclone Nisarg which however did not have any material impact on our financials. For further details, see "Our Business – Manufacturing Facility" on page 160 of this Red Herring Prospectus. There can be no assurance that electricity supplied to our existing manufacturing facility will be sufficient to meet our requirements or that we will be able to procure adequate and uninterrupted power supply in the future at a reasonable cost. If the per unit cost of electricity is increased by the state electricity board our power cost will increase. An interruption in or limited supply of electricity may result in suspension of our manufacturing operations. A prolonged suspension in production could materially and adversely affect our business, financial condition, results of operations or cash flows.

30. Inability to meet the quality standard norms prescribed by the central and state governments could result in the sales of our products being banned or suspended or becoming subject to significant compliance costs, which could have a material adverse effect on our business growth and prospects, results of operations, financial condition, and cash flows.

The quality of the products being manufactured by us is open to independent verification by agencies of the central and state governments, or various other regulatory authorities. Regulatory authorities including authorities under the Legal Metrology Act, 2009, may carry out inspection of our premises, plant, equipment, machinery, manufacturing or other processes and sample checks on any material or substance in relation to our product at short notice or without notice. The government authorities could impose fines or issue us show cause notices if the samples are not in conformity with the prescribed quality norms. Failure on our part to adhere to the quality norms prescribed by the government agencies could lead to recall of those batches and/ or the products in the relevant state, or we may be liable to pay a penalty. Any such order passed by the governmental authorities could generate adverse publicity about our Company and our products, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows.

31. Improper storage, processing and handling of raw materials and finished products may cause damage to our inventory leading to an adverse effect on our business, results of operations and cash flows.

Our inventory primarily consists of raw materials including solvents, resins and other additives and finished products. Our raw materials, manufacturing processes and finished products are susceptible to evaporation, contamination and rusting (of tin containers), if not appropriately stored, handled and processed, which may affect the quality of the finished product. In the event such a contamination is detected at the facility during quality checks, we may be required to repair the storage vessels and discard the batches resulting in a temporary suspension of manufacturing activities and lower capacity utilizations, which could materially and adversely affect our business, financial condition, results of operations, or cash flows. Improper storage may also result in higher than usual spoilage of inventory due to adverse weather conditions or longer than usual storage periods, which may also require us to incur additional expenses in replacing that portion of the inventory and/ or incur additional expenses in maintenance and improvement of our storage infrastructure, which may adversely affect our profit margins.

32. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategycould have an adverse effect on our business, results of operations, financial condition and cash flows.

While we have experienced significant growth and have expanded our operations extensively over the years, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further, or at the same rate. The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy includes growing our product portfolio, strengthening our brand, deepening our penetration in existing markets and expanding our presence in select new territories and expanding our manufacturing capacities. For further information, see "Our Business – Strategies" beginning on page 150 of this Red Herring Prospectus.

Our success in implementing our growth strategies may be affected by our ability to identify new market opportunities, develop products, increase our existing network of distributors and ability to adapt to changes in the Indian or international regulatory environment applicable to us. Many of these factors are beyond our control and there can be no assurance that we will succeed in implementing our strategy. Any change in government policies and regulations including any ban imposed on a particular product by the respective governments, or any duties, pre-conditions or ban imposed by countries from where we source certain raw materials may have an adverse impact on our operations. In addition, there may be delays in the anticipated timing of activities related to such growth initiatives, strategies and operating plans; increased difficulty and cost in implementing these efforts; and the incurrence of other unexpected costs associated with

operating the business. Any of these factors could adversely impact our results of operations. If, for any reason, the benefits we realize are less than our estimates or the implementation of these growth initiatives, strategies and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected. Please also see the Risk Factor No. 1 "Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays." on page 29of this Red Herring Prospectus.

33. We may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.

Our industry is labour intensive. The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. As of September 30, 2021, we employed 364 employees across our manufacturing facility and registered and other offices. We have one trade union registered under the Trade Unions Act, 1926. In the past three years, we have experienced one labour dispute with the Trade Union which was amicably resolved through mediation. Further, we do not have any formal policy for redressal of labour disputes. Although we have not experienced any major interruption to our operations as a result of labour disputes in the recent past, there can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our work force, which may adversely affect our ability to continue our business operations. We may also have to incur additional expense to train and retain skilled labour. We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that imposes financial obligations on employers upon retrenchment. There can be no assurance that we will not experience labour unrest in the future, which may delay or disrupt our operations. Any labour unrest including labour disputes, strikes and lock-outs, industrial accidents, experienced by us could directly or indirectly prevent or hinder our normal operating activities and, if not resolved in a timely manner, could lead to disruptions in our operations. In the event of any prolonged delay or disruption our business, results of operations and financial condition could be materially and adversely affected.

34. There have been some instances of delayed filing/ incorrect filings in the past with the Registrar of Companies which may attract penalties.

There have been some instances of delayed filing/ incorrect filings in the past with the Registrar of Companies including Form MSME, Form MGT-14, Form PAS-3, which may attract penalties. For instance, in one of the forms for return of allotment filed with RoC, we have wrongly recorded the consideration as 'other than cash' instead of 'cash'. We are in process of taking effective steps to rectify the said error.

Although, no regulatory action or penalty has been taken/ levied on the Company for such delays/ defaults, however, it cannot be assured that no such regulatory action or penalty will be taken/ levied in the future. Further, we cannot assure you that such non-compliances will not occur in the future. Therefore, if the concerned authorities impose monetary penalties on us or take certain punitive actions against our Company or its directors / officers in relation to the same, our business and financial condition could be adversely affected.

35. Our inability to accurately forecast demand or price for our products and manage our inventory may adversely affect our business, results of operations, financial condition and cash flows.

Our business depends on our estimate of the demand for our products from distributors. We estimate demand for our products based on market projections and past sales. If we overestimate demand, we may purchase more raw materials and manufacture more products than required. If we underestimate demand, we may manufacture fewer quantities of products than required, which could result in delayed or non-fulfilment of purchase orders resulting in loss of distributors, goodwill and business. If we under stock one or more of our products, we may not be able to obtain additional units in a timely manner, which could also adversely affect our goodwill and results of operations. In addition, if our products do not achieve

widespread acceptance or our distributors change their procurement preferences, we may be required to incur significant inventory markdowns or may not be able to sell the products at all, which would affect our business, results of operations and financial condition. As such, our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition.

36. We may be subject to significant risks and hazards when operating and maintaining our manufacturing facilities, for which our insurance coverage might not be adequate.

As of March 31, 2021, we operated one manufacturing facility in India. We generally perform scheduled and unscheduled maintenance and operating and other asset management services. We also sub-contract certain maintenance services to third-parties who may not perform their services adequately. Manufacturing adhesives involves handling of certain chemicals which, if not handled properly, can be hazardous. In addition to natural risks such as earthquake, flood, lightning, cyclones and wind, other hazards, such as fire, structural collapse and machinery failure are inherent risks in our operations. They can cause significant personal injury or loss of life, severe damage to and destruction of property, plant and equipment and contamination of, or damage to, the environment and may result in the suspension of operations. The occurrence of any one of these events may result in our being named as a defendant in lawsuits asserting claims for substantial damages, including for cleanup costs, personal injury and property damage and fines and/ or penalties.

We maintain an amount of insurance protection that we consider adequate including insurance policy covering fire, damage to buildings, plant and machinery, stocks (raw materials and finished goods), vehicles and policy covering damage to stocks at our depots. We may not have identified every risk and further may not be insured against every risk because such risks are either uninsurable or not insurable on commercially acceptable terms, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies such as COVID-19 and other pandemics, or due to the same being inadequate, could materially harm our cash flows, financial condition and future results of operations. However, we cannot provide any assurance that our insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which we may be subject. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. Our insurance cover for property, plant and equipment, and inventory, as of March 31, 2021 and September 30, 2021 was ₹ 4780 Lakhs and ₹ 5630.49 Lakhs respectively, while our gross block of property, plant and equipment and inventory as of March 31, 2021, was ₹ 2236.79 Lakhs and ₹ 3239.69 Lakhs respectively and as of September 30, 2021 was ₹ 2083.02 Lakhs and ₹ 3369.53 Lakhs respectively, and our total assets (including all current and non-current assets) were ₹ 8977.89 Lakhs and ₹ 10491.04 Lakhs as of March 31, 2021 and September 30, 2021 respectively. Consequently, our insurance cover as a percentage of gross block of property, plant and equipment, and inventory, was 87.28% and 96.84%, and our insurance cover as a percentage of total assets (including all current and non-current assets) was 53.24% and 53.66%, as of March 31, 2021 and September 30, 2021 respectively. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or which exceeds our insurance coverage, or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see "Our Business – Insurance" beginning on page 166 of this Red Herring Prospectus.

37. Restrictions on import of raw materials may adversely impact our business and results of operations.

We currently import a certain portion of our raw materials. Raw material imports are regulated by certain specific laws and regulations that permit concerned authorities to stop any import if it is deemed that the chemicals proposed to be imported may cause major accidents. While some raw materials we import are

hazardous in nature, we cannot assure you that such regulations will not be made applicable to us or that such regulations will not evolve into more stringent regulations, which would place onerous requirements on us and consequently restrict our ability to import raw materials. While we have not in the recent past experienced any challenges in importing such materials, we cannot assure you that we will not experience any such challenges in the future. In the event we are unable to import these materials, there can be no assurance that we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner or at all. Any change in law or applicable governmental policies relating to imports, change in international geo-political situations, restriction on import of raw materials could have an adverse effect on our ability to deliver products to our distributors, business and results of operations.

38. Some of our manufacturing facility, offices and depots are located on licensed or rented or leasehold premises. If these leave and license or leasehold or rent agreements are terminated or not renewed on terms acceptable to us, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our Registered Office, administrative office and manufacturing facility are located on premises that we have taken on rental/ leasehold/ leave and license basis from our Promoters. In addition, some of our depots are also located on rental premises. Our factory land is owned by our Promoters and the structures standing thereon are in the name of our Company. We typically enter into rent/ lease/ leave & licence agreements of varying terms for our depots with an option to renew such term. The factory land has been taken by our Company on leave and license basis for a tenure of 36 months with an option to renew for a further period of 24 months. We may not be able to renew or extend these agreements at commercially acceptable terms, or at all. Further, we may be required to re-negotiate rent or other terms and conditions of such agreements. We may also be required to vacate the premises at short notice as prescribed in the lease agreements, and we may not be able to identify and obtain possession of an alternate location, in a short period of time. Occurrence of any of the above events may have a material adverse effect on our business, results of operations, financial condition, and cash flows. Further, any adverse impact on the ownership rights of our landlords may impede our effective future operations. Further, our leave and license and rent agreements shall expire in due course and in case of non-renewal of our licenses or rent agreements or if such agreements are renewed on unfavorable terms and conditions, we may be forced to procure alternative space. We do not have any right to buy the land first and may also face the risk of being evicted in the event of any dispute or if our landlords allege a breach on our part of any terms under these leave and license/ rent agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations.

39. Certain agreements may be inadequately stamped or may not have been registered or may not have necessary disclosure as a result of which our operations may be adversely affected.

A few of our agreements such as those relating to immovable properties, may not be stamped adequately or registered or may not have the necessary disclosures. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration of documents required to be registered, is that such document will not have any effect on the property or be eligible to be received as evidence in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

40. We are dependent on our Promoters, Directors, and a number of key managerial personnel, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations, financial condition, and cash flows.

We are dependent on our Promoters, Directors and key managerial personnel for setting our strategic business direction and managing our business. Certain of our Promoters, being Directors of our Company

and several of our key managerial personnel have extensive experience in the adhesives sector. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Without a sufficient number of skilled employees, our operations and manufacturing quality could suffer. Our experienced sales team has also developed a number of distributor relationships that would be difficult to replace. Our attrition rate at the manufacturing facility was 93%, 93%, 167% and 22% for the FY 2019, 2020 and 2021 and six months period ended September 30, 2021, respectively which is primarily in the labour category and for the employees at registered office, administration office, depots and those part of the sales team it was 20%, 26%, 27% and 18% in the FY 2019, 2020 and 2021 and six months period ended September 30, 2021 respectively. We may experience similar attrition rates in the future. A significant increase in the attrition rate among skilled employees could decrease our operating efficiency and productivity and could lead to a decline in the profitability of our Company. Competition for qualified technical personnel and operators as well as sales personnel with established distributor relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impacted.

We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining suitable employees. The loss of the services of our key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects.

41. An inability to renew quality accreditations in a timely manner or at all, or any deficiencies in the quality of our products may give rise to product liability claims and adversely affect our business prospects and financial performance.

We obtain and maintain quality certifications and accreditations from independent certification entities and also comply with prescribed specifications and standards of quality approved by the Government in connection with the products we manufacture. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, in a timely manner or at all, our business prospects and financial performance will be materially and adversely affected.

Further, if our products are alleged or found to be defective, we may be subject to product liability claims. There could be instances in which our products do not meet the specifications. We have from time to time encountered certain claims with respect to the quality of our products. While we have not been required to recall our products and have resolved these claims amicably, we may be subject to product liability claims and litigation for compensation in the future which could result in substantial and unexpected expenditure and could materially and adversely affect our cash flow and operating results. Further, there can be no assurance that we will be able to successfully defend such claims. If any such claims against us are ultimately successful, we could be required to pay substantial damages, which could materially and adversely affect our business, financial condition, results of operations and cash flows. Moreover, product failures or defects and any complaints or negative publicity, could result in a decrease in our sales. Even if certain of the product defects are attributable to raw materials supplied by our suppliers, we cannot guarantee that we would be able to recover all or part of the damages by claiming against our suppliers.

42. Some of our records are not traceable.

In the past, certain statutory records and registers required to be maintained by our Company have not been maintained in the manner as required under various applicable laws including the environmental laws, labour laws and certain other industry specific laws. Despite conducting searches of our internal records, we have not been able to trace the registers and documents required to be maintained under the Employees' State Insurance Act, Employees' Provident Fund Act, Professions Tax Act, Minimum Wages Act, Payment

of Wages Act, Contract Labour Regulations, Payment of Bonus Act and other labour laws for the periods prior to April 2020.

Further, we cannot assure you that our Company has maintained the statutory records in the proper manner or at all, in the past, as required under the Factories Act, Industrial Disputes Act. While no legal proceedings or regulatory action has been initiated against our Company in relation to such statutory records as of the date of this Red Herring Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future. Although no regulatory action/ litigation is pending against us in this regard, we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect.

43. Fluctuations in the average selling prices of adhesives could adversely affect our business, financial condition, results of operations and cash flows.

The average selling prices of our products may be subject to fluctuations depending on the market conditions. The average selling prices of our products are affected by the general market conditions, such as pricing by competition and raw material costs, which could have an impact on the businesses of our distributors and, in turn, their demand for our products. An inflexible pricing policy may result in reduction in sales because of reduced price competitiveness. While, we have not experienced any material fluctuation in our average selling prices, we cannot assure you that we will not experience declining average selling prices for our products or that our average selling prices can remain at the same level in the future. A decline in the average selling prices for our products could adversely affect our business and financial condition, operating results, and cash flows.

44. Any downgrading of our credit rating by a domestic or international credit rating agency may increase interest rates for our future borrowings, which would increase our cost of borrowings, and adversely affect our ability to borrow on a competitive basis.

Care Ratings Limited has on November 12, 2021 assigned CARE BBB-; Outlook: Stable rating for the long-term bank facilities and CARE A3 rating for the short-term bank facilities of our Company.

Our credit rating may be downgraded in the future due to various factors, including factors which may be outside our control. Any future downgrade of our credit ratings may increase interest rates for refinancing our borrowings, which would increase our cost of borrowings, and may have an adverse effect on our future issuances of debt and our ability to borrow on a competitive basis. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of repayment of certain of our borrowings. If any of these risks materialise, it could have a material adverse effect on our business, reputation, results of operations and financial condition.

45. Uncertainty regarding the manufacturing industry, housing and other real estate market, economic conditions and other factors beyond our control could adversely affect demand for our products and services, our costs of doing business and our financial performance.

Our financial performance depends significantly on the manufacturing industries, on the stability of the real estate, as well as general economic conditions, including changes in gross domestic product. Adverse conditions in or uncertainty about these markets or the economy could adversely impact our end-customers' confidence or financial condition, causing them to determine not to purchase home improvement products and services or delay purchasing or payment for those products and services. The state of the credit markets, including mortgages and consumer credit and other conditions beyond our control, could further adversely affect demand for our products and services, our costs of doing business and our financial performance. Any slowdown in these industries and economy is a major risk for the adhesives industry.

46. We have in this Red Herring Prospectus included certain Non-GAAP Measures and certain other industry measures related to our operations and financial performance. These Non-GAAP

Measures and industry measures may vary from any standard methodology that is applicable across the Indian adhesives industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.

Certain Non-GAAP Measures and certain other industry measures relating to our operations and financial performance have been included in this Red Herring Prospectus. We compute and disclose such Non-GAAP Measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of Indian adhesives manufacturing companies, many of which provide such Non-GAAP Measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Red Herring Prospectus.

These Non-GAAP Measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and are not measures of operating performance or liquidity defined by generally accepted accounting principles, and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other manufacturing companies. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures" beginning on page 275 of this Red Herring Prospectus.

47. Our Promoters will continue to retain majority shareholding in the Company after the Offer, which will allow them to exercise significant influence over us and potentially create conflicts of interest.

As on date of this Red Herring Prospectus, our Promoters hold approximately 95.31% of the pre- Offer paid-up Equity Share capital of our Company and will continue to hold [●]% of the post- Offer paid-up Equity Share capital of our Company. Accordingly, our Promoters 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 Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. Our Promoters shall abide by the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and protect the interest of the Company. However, in case of any conflict of interest our Promoters shall keep the interest of the Company first over their personal interest, we cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour.

48. Any failure or disruption of our information technology systems could adversely impact our business and operations.

Our business is dependent upon increasingly complex and interdependent information technology systems, including internet-based systems, to support business processes as well as internal and external communications. For instance, we have implemented an accounting and CRM software across our offices and manufacturing facility, to handle sales, purchase, inventory and financial reporting. The complexity of our computer systems may make us potentially vulnerable to breakdown, malicious intrusion and computer viruses. Our Company does not have any formal data security policy. While we have not experienced any

disruptions to our information technology systems in the past or breach in Company's database in last three years, we cannot assure you that we will not encounter disruptions in the future. Any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons.

49. Changes in technology may affect our business by making our manufacturing facility or equipment less competitive.

Our profitability and competitiveness are to a certain extent dependent on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Changes in technology may make newer generation manufacturing equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our manufacturing facility. Our inability to continue to invest in new and more advanced technologies and equipment, may result in our inability to respond to emerging industry standards and practices in a cost-effective and timely manner that is competitive with other adhesives manufacturing companies and other methods of manufacturing. The development and implementation of such technology entails technical and business risks. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to emerging industry standards. If we are unable to adapt in a timely manner to changing market conditions or technological changes, our business and financial performance could be adversely affected.

50. We may undertake strategic acquisitions or investments, which may prove to be difficult to integrate and manage or may not be successful.

In the future, we may consider making strategic acquisitions of other adhesive manufacturing companies or other companies whose resources, capabilities and strategies are complementary to and are likely to increase our product portfolio and expand our distribution network. We may also enter into strategic alliances or joint ventures to explore such opportunities or make significant investments in entities that we do not control to capitalize on such business opportunities and there can be no assurance that such strategic alliances, joint ventures or investments will be successful.

It is also possible that we may not identify suitable acquisition or investment candidates or that if we do identify suitable candidates, we may not complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions may adversely affect our competitiveness or our growth prospects.

If we acquire another company we could face difficulty in integrating the acquired operations. In addition, the key personnel of the acquired company may decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. There can be no assurance that we will be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment.

51. We have issued Equity Shares at prices that may be lower than the Offer Price in the last 12 months.

We have issued and allotted (i) 11,77,642 Equity Shares on rights basis on May 07, 2021; and (ii) 57,305 Equity Shares on rights basis on June 10, 2021, at prices which may be lower than the Offer Price. For further details, please see "Capital Structure – Notes to the Capital Structure – Equity Share capital history of our Company" beginning on page 82 of this Red Herring Prospectus .

52. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have in the past entered into transactions with certain enterprises over which our Directors have a significant influence. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties.

Our Promoters shall abide by the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and protect the interest of the Company and in case of any conflict of interest, shall keep the interest of our Company first over their personal interest. For further information on our related party transactions, please see "Restated Financial Statement – Related Party Transactions" beginning on page 202 of this Red Herring Prospectus. We cannot assure you that any such future transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

53. Industry information included in this Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

We have availed the services of an independent third-party research agency, CRISIL Limited, to prepare an industry report titled "Assessment of the Adhesives and Sealants market in India" dated November 2021, for purposes of inclusion of such information in this Red Herring Prospectus. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. We have taken reasonable care in the reproduction of the information. Further, there is no assurance that such information is stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In addition, statements from such third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Red Herring Prospectus.

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

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

55. We face foreign exchange risks that could adversely affect our results of operations and cash flows.

We have foreign currency payables for supply of certain raw materials and equipment and are therefore, exposed to foreign exchange risk between the Indian Rupee and U.S. Dollars and other foreign currencies, if applicable. There can be no assurance that we will be able to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against other relevant foreign currencies. Any significant fluctuation in the value of the Indian Rupee against such currencies may adversely affect our results of operations. Any appreciation of foreign currencies against the Indian Rupee may result in reduction of our margins and consequently have an adverse effect on business and result of operations.

56. Certain Promoters, also being the executive Directors of our Company, hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.

Certain of our Promoters, also being the executive Directors of our Company, are interested in our Company, in addition to their remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. Our Promoters shall abide by the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and protect the interest of the Company. However, in case of any conflict of interest our Promoters shall keep the interest of our Company first over their personal interest, we cannot assure you that they will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and Directors may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For further information on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or remuneration or benefits, please see the chapters titles "Our Management" and "Our Promoters and Promoter Group" beginning on pages 179 and 195, respectively, of this Red Herring Prospectus.

57. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

We have not declared dividend in the past. For further information, see "Dividend Policy" on page 201 of this Red Herring Prospectus. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board in accordance with the dividend distribution policy adopted by our Board on July 07, 2021 and will depend on factors that our Board deems relevant, including among others, our Company's profitability, capital requirements, financial commitments and requirements, including business and expansions plans, applicable legal restrictions and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

RISKS RELATING TO INDIA

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of theirfuture relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition, results of operation, and cash flows. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition, results of operations, and cash flows, and reduce the price of the Equity Shares.

59. The occurrence of natural or man-made disasters or outbreak of global pandemics, such as the COVID-19 pandemic, could adversely affect our results of operations, cash flows and financial condition. Hostilities, terroristattacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, infectious disease outbreaks such as the COVID-19 pandemic and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

60. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, results of operations, and cash flows, and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

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

Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition, and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

61. Majority of our revenue is derived from business in India and a slowdown in economic growth in India could cause our business to suffer and could adversely affect our results of operations.

We derive a majority of our revenue from our operations in India, accordingly, our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy's growth momentum took a back seat in Fiscals 2020 and 2021 as compared to previous years on account of the pandemic COVID-19. According to the Indian Central Statistics Organization, India's real GDP growth decreased from 4.2% in the Financial Year 2020 to -7.3% in the Financial Year 2021. As per various sources, the Indian economy has slowed further in Fiscal 2021. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares. Any slowdown in the Indian economy or future volatility in global markets could increase in our borrowing costs, result in freeze in lending generally, thereby adversely affecting our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition, cash flows and the trading price of the Equity Shares.

Further, India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards our banking and finance industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

India has from time to time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus.

Other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our

developments and expansions; volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

62. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our Restated Financial Statements as at and for the six months period ended September 30, 2021 and September 30, 2020 and financial year ended March 31, 2021 have been derived from our audited financial statements as at and for the six months period ended September 30, 2021 and September 30, 2020 and year ended March 31, 2021 prepared in accordance with Ind AS, and our audited financial statements as at and for the years ended March 31, 2020 and March 31, 2019 prepared in accordance with Indian GAAP and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note.

Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our Restated Financial Statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our Restated Financial Statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should be limited accordingly.

63. If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.

Any change in Indian tax laws could have an effect on our operations. Any future amendments may affect our benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment, service tax, past claims of central excise, state VAT, and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017. For further information on litigations arising out of such claims, see "Outstanding Litigation and Other Material Developments" beginning on page 293 of this Red Herring Prospectus.

Further, the Government of India has announced the union budget for Fiscal 2022, pursuant to which the Finance Act, 2021 ("**Finance Act**"), wherein a few sections have become effective from April 01, 2021 and the remaining shall come into force as and when may be notified by the Central Government, has introduced various amendments. As such, there is no certainty on the impact that the Finance Act, 2021 may have on our business and operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require

management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/ departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions or at all.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see *"Restrictions on Foreign Ownership of Indian Securities"* on page 359.

65. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

66. Adverse geopolitical conditions such as increased tensions between India and China, could adversely affect our business, results of operations, financial condition and cash flows.

Adverse geopolitical conditions such as increased tensions between India and China resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries imposing restrictions on the import or export of products or raw materials, among others, and affect our ability to procure raw materials required for our manufacturing operations. We could also be affected by the introduction of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries.

67. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Manager or any of their directors and executive officers in India respectively, except by way of a law suit in India.

We are incorporated under the laws of India and all of our Directors and Key Managerial Personnel reside in India. All of our assets are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the "**CPC**").

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, 14 and Section 44A of the CPC on a statutory basis. Section 44A of the CPC provides that where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the CPC is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the CPC, and not by proceedings in execution. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except:

(i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

It cannot be assured that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment.

68. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our clients thereby reducing our margins.

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

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

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

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

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

RISKS RELATING TO THE OFFER AND THE EQUITY SHARES

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

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction where the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

71. 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.

72. Any future issuance of Equity Shares may dilute your shareholding and sale of Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us (including under an employee benefit scheme) or disposal of our Equity Shares by the Promoters or any of our other principal shareholders or any other change in our shareholding structure to comply with minimum public shareholding norms applicable to listed companies in India or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that our existing shareholders including our Promoters will not dispose of further Equity Shares after the completion of the Offer (subject to provisions of the applicable laws) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

73. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately five Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

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

Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification) and

collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognised stock exchange and on which no STT has been paid, are subject to long term capital gains tax in India. Such long term capital gains exceeding ₹ 100,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). Unrealized capital gains earned on listed equity shares up to January 31, 2018 continue to be tax exempt in such cases. Further, STT will be levied on and collected by an Indian stock exchange if the equity shares are sold on a stock exchange. With respect to capital gains arising in an off-market sale, long term capital gains are subject to tax at the rate of 10% (plus applicable surcharge and cess) without the exemption of ₹ 100,000. Short-term capital gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15% (plus applicable surcharge and cess), while short term capital gains arising in an off-market sale would be subject to tax at a higher rate of 40% (plus applicable surcharge and cess) in the case of foreign companies and 30% (plus applicable surcharge and cess) in the case of other non-resident taxpayers.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Additionally, the Finance Act, 2020 does not require dividend distribution tax to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

75. The requirements of being a publicly listed company may strain our resources.

We are not a publicly listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of

operations, and cash flows. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

76. Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Offer, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Offer Price or at all.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book building process. This price will be based on numerous factors, as described in the section "Basis for Offer Price" beginning on page 125. This price may not necessarily be indicative of the market price of our Equity Shares after the Offer is completed. You may not be able to re-sell your Equity Shares at or above the Offer price and may as a result lose all or part of your investment.

Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public's reaction to our press releases and adverse media reports; and
- general economic conditions.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

77. Future sales of Equity Shares by our Promoter may adversely affect the market price of the Equity Shares.

After the completion of the Offer, our Promoter will own, directly, more than [●]% of our outstanding Equity Shares. Upon expiry of the lock-in period provided under the SEBI ICDR Regulations, our Promoter will be eligible to sell part or all of the Equity Shares held by it. Future sales of a large number of the Equity Shares by our Promoter, either in one sale or over a series of sales, could adversely affect the market price of the Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of the Equity Shares. No assurance may be given that our Promoter will not dispose of, pledge or encumber their Equity Shares in the future, or that the market price of the Equity Shares will not be adversely affected by any such disposal, pledge or encumbrance of their Equity Shares.

78. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid amount) at any stage after submitting a bid, and Retail Individual Investors are not permitted to withdraw their Bids after bid/offer closing date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to block the Bid amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of equity shares or the Bid amount) at any stage after submitting a Bid. Similarly, Retail Individual Investors can revise or withdraw their Bids at any time during the bid/ offer period and until the Bid/ offer closing date, but not thereafter. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the Investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. Therefore, QIBs and Non-Institutional Investors will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares[(1)(2)]	45,97,200 Equity Shares aggregating to ₹ [●] Lakhs
of which:	
(i) Fresh Issue[(1)]	41,40,000 Equity Shares aggregating to ₹ [●] Lakhs
(ii) Offer for Sale[(2)]	4,57,200 Equity Shares aggregating to ₹ [●] Lakhs by theSelling Shareholder
The Offer consists of:	
A) QIB Portion[(3)(4)]	Not less than [●] Equity Shares
of which:	
Anchor Investor Portion	Upto [●] Equity Shares
Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)[(3)]	[●] Equity Shares
Balance of QIB Portion for all QIBsincluding Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion[(3)]	Not more than [●] Equity Shares
C) Retail Portion[(3)]	Not more than [●] Equity Shares
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	1,42,34,947 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Utilisation of Net Proceeds	See *"Objects of the Offer"* beginning on page 94 of this Red Herring Prospectus for details regarding the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) The Fresh Issue has been authorised by our Board of Directors and our Shareholder pursuant to the resolutions passed at their meetings dated July 05, 2021 and July 06, 2021 respectively.

(2) *The Selling Shareholder has confirmed and approved its participation in the Offer for Sale as set out below*:

Sr. No.	Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of board resolution	Date of consent letter
1.	Mrs. Anjana Haresh Motwani	4,57,200	July 05, 2021	July 05, 2021

(3) *Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, 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 and the Selling Shareholder, in consultation with the Lead Manager, and the Designated Stock Exchange, subject to applicable laws. In case of under-subscription in the Offer, subject to receipt of minimum subscription for 90% of the Fresh Issue, compliance with Rule 19(2)(b) of the SCRR and allotment of at least 75% of the Net Offer to QIBs, Equity Shares shall be allocated in the manner specified in the section "Terms of the Offer" beginning on page 326.*
Allocation to all categories, except Anchor Investors and Retail Individual Bidders shall be made on a proportionate basis. The allocation 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 allocated on a proportionate basis.

(4) *Our Company and the Selling Shareholder may, in consultation with the Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" beginning on page 335.*

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, shall be made on a proportionate basis subject to valid Bids having being received at or above the Offer Price, as applicable. The allocation 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, may be allocated on a proportionate basis. For further details, please see *"Offer Procedure"* on page 335 of this Red Herring Prospectus.

SUMMARY OF FINANCIAL INFORMATION

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES **ANNEXURE I**

(₹ in Lakh)

Particulars	Annexure	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020**	As at 31st March, 2019 **
ASSETS						
Non-current assets						
Property, plant and equipment	XIII	1,696.49	934.17	1,865.82	950.41	874.82
Capital work-in-progress		1,085.69	124.18	652.03	119.91	-
Right of Use Assets	XIII	476.33	62.33	38.26	114.94	3.13
Goodwill						
Other intangible assets	XIII	19.19	19.31	17.18	14.76	0.51
Financial assets						
Other financial assets	XIV	69.04	53.45	39.71	88.53	33.24
Deferred tax asset (net)		129.81	246.78	171.98	242.69	165.81
Other non-current assets	XIV	15.88	15.88	15.88	15.88	150.44
Total non-current assets		**3,492.43**	**1,456.10**	**2,800.85**	**1,547.10**	**1,227.95**
Current assets						
Inventories	XV	3,369.53	2,052.46	3,239.69	1,852.03	1,452.38
Financial assets						
Investments						
Trade receivables	XVI	2,880.79	1,937.71	2,286.61	1,979.85	2,240.84
Cash and cash equivalents	XVII	68.30	102.07	83.10	75.65	190.95
Loans	XVIII	108.71	124.73	116.65	122.51	82.29
Current tax assets (net)	XVIII	-	-	-	15.30	292.66
Other current assets	XVIII	571.29	442.66	450.97	88.69	184.67
Total current assets		**6,998.61**	**4,659.63**	**6,177.03**	**4,134.03**	**4,443.79**
TOTAL ASSETS		**10,491.04**	**6,115.73**	**8,977.89**	**5,681.12**	**5,671.74**
EQUITY AND LIABILITIES						
EQUITY						
Equity share capital	V	1,423.49	1,300.00	1,300.00	1,300.00	1,300.00
Other equity	VI	2,332.58	(739.51)	(34.12)	(1,051.56)	166.23
Total equity		**3,756.08**	**560.49**	**1,265.88**	**248.44**	**1,466.23**
LIABILITIES						
Non-current liabilities						
Financial liabilities						
Borrowings	VII	805.76	525.34	854.69	77.72	104.98
Lease Liabilities	IX (C)	337.16	24.15	14.52	73.61	5.08
Other non current liabilities		-	-	-	-	-
Provisions	IX (B)	105.75	115.76	119.18	101.26	55.38
Total non-current liabilities		**1,248.66**	**665.25**	**988.39**	**252.59**	**165.44**
Current liabilities						
Financial liabilities						
Borrowings	XI	1,924.76	2,367.33	2,283.83	3,328.26	2,253.35

Particulars	Annexure	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020**	As at 31st March, 2019 **
Lease Liabilities	**XI**	141.21	37.85	24.24	38.75	5.49
Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	**X**	1,338.24	625.79	396.01	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	**X**	1,276.92	805.35	2,193.02	1,526.79	1,457.36
Other financial liabilities	**XI**	446.69	837.62	1,422.48	277.97	71.60
Other current liabilities	**XI**	142.59	161.58	127.30	8.32	245.37
Provisions	**XII**	53.78	-	141.66	-	6.90
Current tax liabilities (net)	**XII**	162.11	54.48	135.07	-	-
Total current liabilities		**5,486.30**	**4,889.99**	**6,723.61**	**5,180.09**	**4,040.07**
TOTAL LIABILITIES		**6,734.96**	**5,555.24**	**7,712.00**	**5,432.69**	**4,205.51**
TOTAL EQUITY AND LIABILITIES		**10,491.04**	**6,115.73**	**8,977.89**	**5,681.12**	**5,671.74**
Significant accounting policies and Key accounting estimates and judgements	IV (A)					
See accompanying notes to the financial statements	IV(B) - XXXI(H)					

*** Restated financials includes period of Partnership Firm from 01/04/2018 to 07/05/2019*

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS **ANNEXURE-II**

(₹ in Lakh)

Particulars	Annexure	Six Month Period ended Sept 30th, 2021	Six Month Period ended Sept 30th, 2020	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020 **	For the Year Ended 31st March, 2019 **
INCOME						
Revenue from operations	**XIX**	7,051.58	4,492.92	11,816.16	9,547.93	8,741.75
Other income	**XX**	221.65	181.97	571.80	242.82	55.89
Total		**7,273.23**	**4,674.89**	**12,387.96**	**9,790.75**	**8,797.64**
EXPENSES						
Cost of Material Consumed	**XXI**	4,337.20	3,127.40	9,708.36	6,588.30	6,063.06
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	**XXI**	794.07	(69.33)	(1,586.07)	(369.78)	(350.90)
Employee benefits expenses	**XXII**	774.76	626.45	1,473.58	1,269.33	938.04
Other expenses	**XXIV**	632.83	382.97	1,023.41	1,610.95	1,277.35
Total		**6,538.85**	**4,067.49**	**10,619.29**	**9,098.80**	**7,927.55**
Earning before Interest, Tax, Depreciation and Amortisation (EBITDA)		**734.38**	**607.40**	**1,768.67**	**691.95**	**870.09**
Finance costs	**XXIII**	172.41	110.89	255.31	294.68	390.64
Depreciation and amortisation expense	**XIII**	141.00	104.34	190.34	189.62	73.54
Total		**313.40**	**215.23**	**445.65**	**484.30**	**464.18**
Profit / (Loss) before exceptional items and tax		**420.98**	**392.17**	**1,323.02**	**207.66**	**405.91**
Exceptional items		-	-	-	743.71	-
Profit / (Loss) before tax		**420.98**	**392.17**	**1,323.02**	**(536.06)**	**405.91**
Tax expense						
Current tax	**XXVII**	(77.04)	(104.78)	(250.22)	-	-
Deferred tax (expense) / income	**IX (A)**	(33.69)	6.03	(66.84)	69.00	(5.84)
Total		**110.73)**	**(98.75)**	**(317.06)**	**69.00**	**(5.84)**
Profit / (Loss) for the year		**310.24**	**293.42**	**1,005.96**	**(467.05)**	**400.07**
Other comprehensive income						
(A) Items that will not be reclassified to profit or loss						
(i) Re-measurement gains / (losses) on defined benefit plans		33.68	7.68	15.35	(21.39)	10.13
(ii) Income tax relating to items that will not be reclassified to profit or loss		(8.48)	(1.93)	(3.86)	5.38	(3.13)
Total amount not to be re-classified to profit or loss (Net of tax)		25.21	5.74	11.49	(16.00)	7.00
(B) Items that will be reclassified to profit or loss		-	-	-	-	-
Other comprehensive income for the year, net of tax		**25.21**	**5.74**	**11.49**	**(16.00)**	**7.00**
Total comprehensive income for the year	**VI**	**335.45**	**299.17**	**1,017.45**	**(483.06)**	**407.07**
Earnings per Equity Share						
Basic Earnings / (loss) per Equity Share (not annualised for period ended 30 Sept 2021 and 30 Sept 2020)		2.22	2.26	7.74	(3.59)	3.08
Diluted Earnings / (loss) per Equity Share		2.22	2.26	7.74	(3.59)	3.08

Significant accounting policies and Key accounting estimates and judgements	IV (A)
See accompanying notes to the financial statements	IV(B) - XXXI(H)

*** Restated financials includes period of Partnership Firm from 01/04/2018 to 07/05/2019*

HP ADHESIVES LIMITED

RESTATED SUMMARY STATEMENT OF CASH FLOW

ANNEXURE-III

(₹ in Lakh)

Particulars	Six Month Period ended Sept 30th, 2021	Six Month Period ended Sept 30th, 2020	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020**	For the Year Ended 31st March, 2019 **
Cash flow from operating activities					
Net profit / (loss) before taxation	420.98	392.17	1,323.03	(536.07)	405.91
Adjustments for:					
Depreciation and amortization expenses	141.00	104.34	190.33	189.62	73.54
Finance cost	172.41	110.89	255.31	294.68	390.64
Operating Profit / (Loss) before working capital changes	**734.38**	**607.40**	**1,768.67**	**(51.77)**	**870.09**
Changes in working capital					
(Decrease)/ increase in trade payables	26.13	(95.65)	1,062.24	69.43	126.49
Decrease/ (increase) in inventories	(129.83)	(200.43)	(1,387.66)	(399.65)	(653.05)
Decrease/ (increase) in trade receivables	(594.18)	42.14	(306.76)	260.99	50.35
(Decrease)/ increase in other current financial liabilities	(536.19)	509.29	1,129.99	206.37	25.53
(Decrease)/ increase in other current and non financial liabilities	15.29	153.26	118.97	(237.05)	177.89
(Decrease)/ increase in provisions	(40.58)	76.65	310.00	22.97	11.90
Decrease/ (increase) in loans	7.95	(2.22)	5.86	(40.22)	(27.24)
Decrease/ (increase) in other current and non current financial assets	-	15.30	48.82	(55.29)	(25.69)
Decrease/ (increase) in other current and non current non financial assets	(149.65)	(318.89)	(362.29)	230.54	(192.36)
Other Equity Adjustments	(0.24)	12.89	-	-	-
Cash generated from operating activities	**(666.93)**	**799.72**	**2,387.84**	**6.34**	**363.91**
Income tax paid	(77.04)	(104.78)	(234.92)	277.36	(134.96)
Net cash generated from operating activities (A)	**(743.97)**	**694.95**	**2,152.92**	**283.70**	**228.95**
Cash flow from Investing activities					
Payment for property, plant and equipment and intangible assets	(1,000.67)	(44.32)	(1,640.28)	(399.37)	(354.26)
Proceeds from sale/ disposal of property, plant and equipment	155.27	-	-	-	-
Interest received	-	-	17.58	(9.99)	(4.64)
Net cash used in Investing activities (B)	**(845.40)**	**(44.32)**	**(1,622.70)**	**(409.36)**	**(358.90)**
Cash flow from Financing activities					
Proceeds from Issue of Share Capital	2,154.98	-	-	-	-
Proceeds from long-term borrowings	(48.93)	447.61	776.97	(27.26)	(44.46)
Proceeds from Contribution to Partners (Net) *	-	-	-	(742.61)	167.49
Proceeds / (Repayment) of borrowings from relate parties	-	-	(874.40)	532.13	342.27
Movement in short-term borrowings from banks (net)	(359.07)	(960.93)	(170.03)	542.78	68.03

Particulars	Six Month Period ended Sept 30th, 2021	Six Month Period ended Sept 30th, 2020	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020**	For the Year Ended 31st March, 2019 **
Finance Cost	(172.41)	(110.89)	(255.31)	(294.68)	(390.64)
Net Cash used in Financing Activities (C)	**1,574.57**	**(624.21)**	**(522.77)**	**10.37**	**142.69**
Net increase in cash and cash equivalents (A+B+C)	**(14.80)**	**26.42**	**7.46**	**(115.30)**	**12.74**
Cash and cash equivalents at the beginning of the year	83.10	75.65	75.65	190.95	178.21
Cash and cash equivalents at the end of the year	**68.30**	**102.07**	**83.10**	**75.65**	**190.95**
Cash and cash equivalents comprise					
Balances with banks					
On current accounts	26.94	58.27	58.40	49.55	123.57
Fixed deposits with maturity of less than 3 months	21.87	27.52	10.39	6.11	49.64
Cash on hand	19.50	16.28	14.30	19.99	17.74
Total cash and cash equivalents at end of the year	**68.30**	**102.07**	**83.10**	**75.65**	**190.95**

*** Restated financials includes period of Partnership Firm from 01/04/2018 to 07/05/2019*

GENERAL INFORMATION

Our Company was originally formed as a partnership firm under the name and style of "M/s. H.P. International" pursuant to a deed of partnership dated January 01, 1987, as amended and restated from time to time. M/s. HP International was thereafter converted into a private limited company "HP Adhesives Private Limited" on May 07, 2019, pursuant to the provisions of Chapter XXI of the Companies Act. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to "HP Adhesives Limited" pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on June 23, 2021 and a fresh Certificate of Incorporation dated July 01, 2021 issued by the RoC. The Corporate Identity Number of our Company is U24304MH2019PLC325019.

For details of changes in registered offices of our Company, please refer to the section titled "*History and Certain Corporate Matters*" beginning on page 175 of this Red Herring Prospectus.

Brief Information about the Company and the Offer	
Registered Office	11, Unique House, Chakala Cross Road, Andheri East, Mumbai – 400 099, Maharashtra, India. Telephone: 022 – 68196300; +91-8097520674 Website: www.hpadhesives.com Email id: investors@hpadhesives.com
Administration Office	213, Unique House, Chakala Cross Road, Andheri East, Mumbai – 400 099, Maharashtra, India. Telephone: 022 – 68196300
Manufacturing Facility	Survey No. 7/14/A/1, 7/14/B/1, 7/14/B/2, Village Narangi, Taluka Khalapur, District Raigad, Maharashtra – 410203.
Date of Incorporation	May 07, 2019
Company Registration No.	325019
Company Identification No.	U24304MH2019PLC325019
Company Category	Company Limited by Shares
Company Sub Category	Indian Non-Government Company
Address of Registrar of Companies	100, Everest, Marine Drive, Mumbai – 400 002, Maharashtra, India. Phone: 022 – 22812627/ 22020295/ 22846954 Fax: 022 – 22811977 Email Id: roc.mumbai@mca.gov.in
Designated Stock Exchange	National Stock Exchange of India Limited
Offer Programme	Offer Opens on: **Wednesday, December 15, 2021** Offer Closes on: **Friday, December 17, 2021**
Company Secretary & Compliance Officer	**Ms. Jyoti Nikunj Chawda** HP Adhesives Limited 11 Unique House, Chakala Cross Road, Andheri East, Mumbai – 400 099, Maharashtra, India. Telephone: 022 – 68196300; +91-8097520674 Website: www.hpadhesives.com Email id: cs@hpadhesives.com
Chief Financial Officer	**Mr. Mihir Suresh Shah** HP Adhesives Limited 11 Unique House, Chakala Cross Road, Andheri East, Mumbai – 400 099, Maharashtra, India. Telephone: 022 - 28388906 Email id: cfo@hpadhesives.com

Board of Directors

Our Company's Board comprises of the following Directors:

Name, Nature of Directorship and DIN	Age	Residential Address
Anjana Haresh Motwani Executive Director & Chairperson DIN: 02650184	65 years	13, Udadhi Tarang, Juhu Road, Juhu, Mumbai – 400 049, Maharashtra, India.
Karan Haresh Motwani Managing Director DIN: 01710775	36 years	12/A, Udadhi Tarang, Juhu Tara Road, Next to J.W Marriot, Juhu, Mumbai – 400 049, Maharashtra, India.
Surendra Kumar Mehta Independent Director DIN: 09211358	58 years	Flat No. 701, Tirupati Balaji Towers, Sarojini Road, Santacruz (West), Mumbai-400054.
Ajeet Anant Walavalkar Independent Director DIN: 09226644	65 years	Kumar Peninsula CHS, Baner-Pashan Link Road, Near HDFC Bank, Pashan, Pune-411021, Maharashtra, India
Rajendra Kumar Jain Independent Director DIN: 00144095	55 years	5-A-25, R.C. Vyas Colony, Bhilwara - 311001, Rajasthan, India.

For further details of the Board of Directors, please refer to the section titled "*Our Management*" beginning on page 179 of this Red Herring Prospectus.

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS OFFER AND OUR COMPANY

Book Running Lead Manager	Registrar to the Offer
Unistone Capital Private Limited A/ 305, Dynasty Business Park Andheri-Kurla Road, Andheri East, Mumbai – 400 059 Telephone: +91 9820057533 Email: mb@unistonecapital.com Investor grievance email: compliance@unistonecapital.com Contact Person: Mr. Brijesh Parekh Website: www.unistonecapital.com SEBI Registration number: INM000012449 CIN: U65999MH2019PTC330850	**Bigshare Services Private Limited** Address: 1st Floor, Bharat Tin Works Bldg, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai-400 059, Maharashtra, India. Telephone: 022-62638200 Facsimile: 022 62638280 Email: ipo@bigshareonline.com Investor grievance email: investor@bigshareonline.com Contact Person: Mr. Ashish Bhope Website: www.bigshareonline.com SEBI Registration Number: INR000001385 CIN: U99999MH1994PTC076534
Legal Advisor to the Offer	**Statutory & Peer Reviewed Auditors**
M/s Alliance Law Address: 801, 8th Floor, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai- 400 021, Maharashtra, India. Telephone: +91 22-2204 0822/23/24 E-mail: info@alliancelaw.in	**M/s. Priya Choudhary & Associates LLP** HO Office: 10/54, Amar Bhawan, Punjabi Gali, Bhopal Gunj, Bhilwara – 311 001, Rajasthan Branch Office: 404, Sneh Sarovar CHS, Marol Military Road, Andheri (E), Mumbai – 400 059 Telephone: 01482 - 226414 E-mail: capriyachoudhary@gmail.com/ vaichoudhary@gmail.com Contact Person: Mr. Vaibhav Choudhary Firm Registration No.: 011506C/ C400307 Peer Review Number: 013168

Share Escrow Agent	Public Offer Bank/ Banker to the Offer/ Refund Banker
Bigshare Services Private Limited Address: 1st Floor, Bharat Tin Works Bldg, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai-400 059, Maharashtra, India. Telephone: 022-62638200 Fax: 022 62638299 E-mail: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Babu Rapheal C. SEBI Cert Registration No: INR000001385 CIN No.: U99999MH1994PTC076534	**ICICI Bank Limited** Address: Capital Market Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400020 Telephone: 022- 66818911/23/24 Fax: 022- 22611138 E-mail: sagar.welekar@icicibank.com Website: www.icicibank.com Contact Person: Mr. Sagar Welekar SEBI Cert Registration No: INBI00000004
Syndicate Member	**Sponsor Bank**
Rikhav Securities Limited Address: B/35, Matruchhaya, 4th floor, S.N. Road, Mulund (W), Mumbai- 80 Telephone: 022-25935353 Fax: 022-25935300 E-mail: info@rikhav.net Website: www.rikhav.net Contact Person: Mr. Hitesh Lakhani SEBI Cert Registration No: INZ000157737 CIN No.: U99999MH1995PLC086635	**ICICI Bank Limited** Address: Capital Market Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400020 Telephone: 022- 66818911/23/24 Fax: 022- 22611138 E-mail: sagar.welekar@icicibank.com Website: www.icicibank.com Contact Person: Mr. Sagar Welekar
Banker to our Company	**Banker to our Company**
IndusInd Bank Limited Address: 701-801, Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri (East), Mumbai – 400 093 Telephone: 022 - 66412265 Fax: 022 - 66412224 E-mail: sanjayb.verma@indusind.com Website: www.indusind.com Contact Person: Mr. Sanjay Verma	**ICICI Bank Limited** Address: 6th Floor, Ackruti Centre Point, Kondivita, MIDC, Andheri (E), Mumbai – 400 069 Telephone: +91 9594950268 E-mail: shah.anujshalin@icicibank.com Website: www.icicibank.com Contact Person: Mr. Anuj Shah
Other Advisor to the Company	
Acquizon Advisory Private Limited Address: B 606, Satellite Gazebo, B.D. Sawant Marg, Andheri East, Mumbai – 400 099 Telephone: 91-9820348614 E-mail: deepak@acquizon.com Contact Person: Deepak Ladha	

Changes in Auditors during last three Financial Years

There has been no change in the Auditor in last three financial years preceding the date of this Red Herring Prospectus.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer and/ or the Registrar to the Offer in case of any pre- Offer or post- Offer related problems, such as non-receipt of Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary account, or Refund Orders.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the Bidder, number of Equity Shares applied for, the Bid amount paid on submission of the Bid cum Application Form and the bank branch or collection center where the application was submitted.

All grievances in relation to the application through ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, ASBA Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder, ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All grievances relating to the UPI mechanism may be addressed to the Registrar to the Offer with a copy to the relevant Sponsor Bank or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Brokers Centres, as the case may be, quoting the full name of the sole or first Bidder, Bid cum Application Form number, address of the Bidder, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the Bid was submitted, and the UPI ID of the UPI ID Linked Bank Account in which the amount equivalent to the Bid Amount was blocked.

All grievances relating to Bids submitted through the Registered Broker and/ or a Stock Broker may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

Filing of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with Board and the Registrar of Companies

A copy of the Draft Red Herring Prospectus has been filed electronically on the SEBI's online portal and emailed at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD" dated March 27, 2020 and has also been uploaded electronically through the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of this Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration to the RoC at Registrar of Companies, Mumbai at 100, Everest, Marine Drive, Mumbai – 400 002, Maharashtra, India.

Statement of *inter se* allocation of Responsibilities for the Offer

Since Unistone Capital Private Limited is the sole Book Running Lead Manager to this Offer and all the responsibilities relating to the co-ordination and other activities in relation to the offer shall be performed by it and hence, a statement of inter se allocation of responsibilities is not applicable.

Designated Intermediaries

Self-Certified Syndicate Banks (SCSBs)

The list of banks that have been notified by SEBI to act as the SCSBs under the SEBI (Bankers to an Issue) Regulations, 1994 for the (i) ASBA process is provided on the website of SEBI at

https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such websites as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and updated from time to time. For details of the list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and as updated from time to time, please refer to the above-mentioned link.

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 appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website. The said list shall be updated on the SEBI website.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the members of Syndicate at Specified Locations, see the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) .

Self Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks eligible as sponsor banks for UPI Mechanism, including details such as name and contact details, are provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41 , or such other websites as updated from time to time.

Registered Broker

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time.

Registrar to the Offer and Share Transfer Agents

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of BSE and NSE at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and 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 at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of BSE and NSE at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Experts

Our Company has received written consent dated November 27, 2021 from our Statutory and the Peer Review Auditor namely, M/s. Priya Choudhary and Associates LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Financial Statements dated November 27, 2021, and the Statement of Possible Tax Benefits dated November 27, 2021 included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company also has received written consent dated November 20, 2021, from the independent chartered engineer namely, M/s. Orbit Consultants and Valuers, to include their name in this Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in his capacity as a chartered engineer, in relation to his certificate dated September 15, 2021 certifying the capacity utilisation of the manufacturing facility at Village Narangi, Raigad, Maharashtra and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Brokers to the Offer

All members of the recognized stock exchanges would be eligible to act as Brokers to the Offer.

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

Trustees

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

Debenture Trustees

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

IPO Grading

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

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of SEBI ICDR Regulations.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution.

BOOK BUILDING PROCESS

The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company, in consultation with the Selling Shareholder and the BRLM, and advertised in all editions of Financial Express, the English national newspaper and all editions of Jansatta, the Hindi national newspaper and Mumbai edition of Navshakti, Marathi newspaper, (Marathi being the regional language of Maharashtra where our Registered Office is located), each with wide circulation, at least two working days prior to the Bid/ Offer Opening Date. The Offer Price shall be finalized after the Bid/ Offer Closing Date. The principal parties involved in the Book Building Process are:

All Bidders (except Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Pursuant to the UPI Circulars, Retail Individual Bidders may also participate in this Offer through UPI in the ASBA process. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion 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 can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date.

Each Bidder by submitting a Bid in Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. In this regard, our Company has appointed the BRLM to manage this Offer and procure Bids for this Offer. The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

The process of Book Building is in accordance with the guidelines, rules and regulations prescribed by SEBI under the SEBI ICDR Regulations and the Bidding Processes are subject to change from time to time. Investors are advised to make their own judgment about investment through this process prior to submitting a Bid in this Offer.

Bidders should note that this Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details, please refer to the chapters titled *"Terms of the Offer"* "*Offer Structure*" and "*Offer Procedure*" beginning on pages *326*, 332 and 335, respectively of this Red Herring Prospectus.

Illustration of Book Building Process and the Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled "*Offer Procedure*" on page 335 of this Red Herring Prospectus.

Withdrawal of the Offer

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, reserve the right not to proceed with the Fresh Issue, and each of the Selling Shareholder reserves the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of their respective portion of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Manager, through

the Registrar to the Offer, 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 and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) filing of the Prospectus with the RoC. If our Company or the Selling Shareholder, in consultation with the Book Running Lead Manager withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Underwriting

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the with the RoC, our Company and the Selling Shareholder(s) intend to enter into the Underwriting Agreement with the Underwriters for the Equity Shares. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, Address, Telephone, Fax, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten **	% of the total Offer size Underwritten
[●]	[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination and finalisation of the Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors, the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment. Notwithstanding the above table, the Underwrites shall be severally and not jointly responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers or subscribe to Equity Shares to the extent of the defaulted amount in accordance with and subject to the terms of the Underwriting Agreement. The underwriting arrangement stated above shall not apply to the applications by the ASBA Bidders in the Offer, except for ASBA Bids procured by any member of the Syndicate.

CAPITAL STRUCTURE

Our Equity Share capital before the Offer and after giving effect to the Offer, as at the date of this Red Herring Prospectus, is set forth below:

(₹ in Lakhs except the share data)

Sr. No.	Particulars	Aggregate Nominal Value	Aggregate Value at Offer Price[1]
I.	**Authorized share capital[2]**		
	2,00,00,000 Equity Shares of ₹10.00 each	2,000.00	--
II.	**Issued, subscribed and paid-up share capital prior to the Offer[3]**		
	1,42,34,947 Equity Shares of ₹10.00 each	**1,423.49**	--
III.	**Present Offer in terms of the Red Herring Prospectus**		
	Fresh Issue of up to 41,40,000 Equity Shares of ₹10.00 each at a price of ₹ [●] per Equity Share[4]	414.00	[●]
	Offer for Sale of up to 4,57,200 Equity Shares ₹10.00 each at a price of ₹ [●] per Equity Share[5]	45.72	[●]
IV.	**Issued, subscribed and paid-up share capital after to the Offer**		
	[●] Equity Shares of ₹ 10.00 each	[●]	
V.	**Securities premium account**		
	Before the Offer	*2031.49*	
	After the Offer	[●]	

[1] To be finalized upon determination of Offer Price

[2] For details of the changes in the authorized share capital of our Company, please refer to chapter titled "History and Certain Corporate Matters" beginning on page 175 of this Red Herring Prospectus.

[3] As on the date of this Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company and there is no share application money pending for allotment.

[4] The Fresh Issue has been authorized pursuant to a resolution of our Board of Directors dated July 05, 2021 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on July 06, 2021.

[5] The Equity Shares being offered by the Selling Shareholder have been held for a period of at least one year immediately preceding the date of filing this Red Herring Prospectus with SEBI, and accordingly, are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" beginning on page 313.

1. **Notes on Capital Structure**

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

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (₹)
Upon Incorporation	10,000	10	10	Cash	Subscription to the MoA (A)	10,000	1,00,000
August 8, 2019	1,29,90,000	10	10	Cash	Rights issue(B)	1,30,00,000	13,00,00,000
May 7, 2021	11,77,642	10	174.50	Cash	Rights issue (C)	1,41,77,642	14,17,76,420
June 10, 2021	57,305	10	174.50	Cash	Rights issue(D)	1,42,34,947	14,23,49,470
Total	**1,42,34,947**						

A. Initial subscribers to the MoA subscribed 10,000 Equity Shares of face value of ₹10/- each as per the details given below:

S. No.	*Name of allottees*	*Number of equity shares*
1.	*Anjana Motwani*	*5,100*
2.	*Karan Motwani*	*4,900*
	Total	***10,000***

B. Rights issue of 1,29,90,000 Equity Shares of face value of ₹10/- each at a price of ₹ 10/- each as per the details given below:

S. No.	*Name of allottees*	*Number of Equity Shares*
1.	*Anjana Motwani*	*66,24,900*
2.	*Karan Motwani*	*63,65,100*
	Total	***1,29,90,000***

C. Rights issue of 11,77,642 Equity Shares of face value of ₹10/- each at a price of ₹ 174.50/- each as per the details given below:-

S. No.	*Name of allottees*	*Number of Equity Shares*
1.	*Anjana Motwani*	*5,67,335*
2.	*Jitendra Rasiklal Sanghavi*	*57,306*
3.	*Paresh Lavjibhai Mehta*	*4,58,452*
4.	*Brijesh Jitendra Parekh HUF*	*51,570*
5.	*Deepak Ghanshyam Ladha*	*37,249*
6.	*Suresh Raichand Shah*	*5,730*
	Total	***11,77,642***

D. Rights issue of 57,305 Equity Shares of face value of ₹10/- each at a price of ₹ 174.50/- each as per the details given below:

S. No.	*Name of allottees*	*Number of Equity Shares*
1.	*Nimesh Shambhulal Joshi*	*34,383*
2.	*Sumit Bilgaiyan*	*22,922*
	Total	***57,305***

In respect of the rights issues of the Company as disclosed under 1 (B), (C) and (D) above, save and except Mrs. Anjana Haresh Motwani and Mr. Karan Haresh Motwani, the other allottees are not related to the promoters.

2. As on the date of this Red Herring Prospectus, our Company does not have any preference share capital.

3. **Details of Equity Shares issued for consideration other than cash:**

Our Company has not made any issues of Equity Shares for consideration other than cash as on the date of this Red Herring Prospectus.

1. No Equity Shares have been allotted pursuant to any scheme of arrangement approved under Section 391-394 of the Companies Act, 1956 or section 230-234 of the Companies Act, 2013.

2. Our Company has not issued any shares pursuant to employee stock option scheme.

4. **Issue of Equity Shares at a price lower than offer price in the last one (1) year**

Except as disclosed below, our Company has not made issue of specified securities at a price which may be lower than the Offer Price during the preceding one (1) year before the date of filing of this Red Herring Prospectus:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason/ Nature of allotment	Name of Allottee
May 07, 2021	11,77,642	10	174.50	Rights Issue	*Please refer to table 1 (C) above*
June 10, 2021	57,305	10	174.50	Rights Issue	*Please refer to table 1 (D) above*

3. **Shareholding Pattern of our Company**

The table below presents the current shareholding pattern of our Company as on the date of this Red Herring Prospectus.

(*Face value of Equity Shares of ₹10 each*)

S. No	*Category of shareholder*	*Nos. of shareholders*	*No. of fully paid up equity shares held*	*No. of Partly paid-up equity shares held*	*No. of shares underlying Depository Receipts*	*Total nos. shares held*	*Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)*	*Number of Voting Rights held in each class of securities**			*No. of Shares Underlying Outstanding convertible securities (including*	*Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)*	*Number of Locked in shares****		*Number of Shares pledged or otherwise encumbered*		*Number of equity shares held in dematerialized form*
								No of Voting Rights									
								*Class Equity Shares of ₹10/- each^*	*Total*	*Total as a % of (A+B+C)*			*No. (a)*	*As a % of total Shares held*	*No. (a)*	*As a % of total Shares held (b)*	
I	**II**	**III**	**IV**	**V**	**VI**	**VII = IV+V+VI**	**VIII**	**IX**			**X**	**XI=VIII+IX**	**XII**		**XIII**		**XIV**
(A)	Promoters & Promoter Group	2	1,35,67,335	-	-	1,35,67,335	95.31%	1,35,67,335	1,35,67,335	95.31%	-	95.31%	-		-		1,35,67,335
(B)	Public	7	6,67,612	-	-	6,67,612	4.69%	6,67,612	6,67,612	4.69%	-	4.69%	-		-		6,67,612
(C)	Non-Promoter-Non-Public	-	-										-		-		-

S. No	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible securities (including	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares**		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights		Total as a % of (A+B+C)			No. (a)	As a % of total Shares held	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of ₹10/- each^	Total								
(C1)	Shares underlying DRs	-	-	-	-	-	-	- -	-	-	-	-	-		-		-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	- -	-	-	-	-	-		-		-
	Total	**9**	**1,42,34,947**	**-**	**-**	**1,42,34,947**	**100.00**	**1,42,34,947**	**1,42,34,947**	**100.00**	**-**	**100.00**	**-**		**-**		**1,42,34,947**

**As on date of this Red Herring Prospectus, one (1) Equity Share holds one (1) vote.*
^We have only one class of Equity Share of face value of ₹ 10/- each.
***All Pre-IPO equity shares of our Company will be locked-in from the date of listing as mentioned above.*

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI LODR Regulations, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of BSE and NSE before commencement of trading of such Equity Shares.

4. **The list of the shareholders of the company holding 1% or more of the paid-up share capital aggregating to 80% or more of the paid-up share capital of the company:**

a. As on the date of the Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares	% of the then existing paid up capital
1.	Anjana Motwani	71,97,335	50.56
2.	Karan Motwani	63,70,000	44.75
	Total	**1,35,67,335**	**95.31**

b. Ten (10) days prior to the date of the Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares	% of the then existing paid up capital
1.	Anjana Motwani	71,97,335	50.56
2.	Karan Motwani	63,70,000	44.75
	Total	**1,35,67,335**	**95.31**

c. One (1) year prior to the date of the Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares	% of the then existing paid up capital
1.	Anjana Motwani	66,30,000	51.00
2.	Karan Motwani	63,70,000	49.00
	Total	**1,30,00,000**	**100.00**

d. Two (2) year prior to the date of the Red Herring Prospectus:

No.	Name of the Shareholder	Number of Equity Shares	% of the then existing paid up capital
1.	Anjana Motwani	5,100	51.00
2.	Karan Motwani	4,900	49.00
	Total	**10,000**	**100.00**

5. Other than as disclosed in this chapter, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

6. Our Company does not have any proposal or intention to alter the equity capital structure by way of split/ consolidation of the denomination of the Equity Shares, or the issue of securities on a preferential basis or issue of bonus or rights or further public issue of securities or qualified institutions placement within a period of six (6) months from the date of opening of the Offer. However, if business needs of our Company so require, our Company may alter the capital structure by way of split/ consolidation of the denomination of the Equity Shares/ issue of Equity Shares on a preferential basis or issue of bonus or rights or public or preferential issue of Equity Shares or any other securities during the period of six (6) months from the date of opening of the Offer or from the date the application moneys are refunded on account of failure of the Offer, after seeking and obtaining all the approvals which may be required.

7. **Capital build-up of Promoters' shareholding, Promoters' contribution and Lock-in:**

i. Build-up of Promoters' shareholdings.

As on the date of this Red Herring Prospectus, our Promoters, Mrs. Anjana Haresh Motwani and Mr. Karan Haresh Motwani collectively hold 1,35,67,335 Equity Shares, which constitutes 95.31% of the Pre-Offer issued, subscribed and paid-up Equity Share Capital of our Company. None of the Equity Shares held by our Promoters is subject to any pledge.

1. Anjana Haresh Motwani

Date of Allotment / Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition / Sale Price per Share (₹)**	Nature of Consideration (Cash/ Other than Cash)	Nature of Transaction	% of pre Offer equity share capital	% of post Offer equity share capital
May 07, 2019	5,100	10	10	Cash	Subscriber to MOA	0.04	[●]
August 08, 2019	66,24,900	10	10	Cash	Rights Issue	46.54	[●]
May 07, 2021	5,67,335	10	174.50	Cash	Rights Issue	3.97	[●]
Total	**71,97,335**					**50.55**	[●]

2. Karan Haresh Motwani

Date of Allotment / Transfer / when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition / Sale Price per Share (₹)**	Nature of Consideration (Cash/ Other than Cash)	Nature of Transaction	% of pre Offer equity share capital	% of post Offer equity share capital
May 07, 2019	4,900	10	10	Cash	Subscriber to MOA	0.03	[●]
August 08, 2019	63,65,100	10	10	Cash	Rights Issue	44.71	[●]
Total	**63,70,000**					**44.75**	**[●]**

* All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares.

*** Cost of acquisition excludes Stamp Duty*

Our Promoters have confirmed to our Company and the Book Running Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed of by them for such purpose.

As on the date of this Red Herring Prospectus, our Promoters do not hold any preference shares in our Company.

ii. Details of Lock–in of Equity Share capital:

a) Promoters' Contribution locked-in for three years

Pursuant to Regulation 14 and 16 of the SEBI ICDR Regulations, an aggregate of at least 20% of the Post-Offer Equity Share Capital of our Company held by our Promoters shall be considered as Promoters' Contribution ("**Promoters' Contribution**") and shall be locked-in for a period of three (3) years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before listing of the Equity Shares.

All Equity Shares held by our Promoters are eligible for Promoters' Contribution, pursuant to Regulation 15 of the SEBI ICDR Regulations.

Our Promoters have consented to the inclusion of such number of the Equity Shares held by them, in aggregate, as may constitute 20% of the post-Offer Capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution, for a period of three years from the date of allotment in the Offer.

The below Equity Shares proposed to form part of Promoters' Contribution subject to lock-in shall not be disposed of/ sold/ transferred by our Promoters during the period starting from the date of filing this Red Herring Prospectus with the Stock Exchanges until the date of commencement of the lock-in period.

Accordingly, Equity Shares aggregating to 20% of the post-Offer capital of our Company, held by our Promoters shall be locked-in for a period of three (3) years from the date of Allotment in the Offer as follows:

Date on which the Equity Shares were Allotted/ made fully paid up/Acquired	No. of Equity shares locked-in*	Face Value Per Share (Rs.)	Issue/ Acquisition Price Per Share (Rs.)	Nature of transaction	% of post-Offer share capital	Period of Lock-in
Anjana Haresh Motwani						
[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]
Karan Haresh Motwani						
[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]				[●]	

**Assuming full subscription to the Offer*

The Promoters' Contribution have been brought into the extent of not less than the specified minimum lot and from the persons defined as 'promoters' under the SEBI ICDR Regulations.

The Equity Shares that are being locked are eligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. In this respect, we confirm the following:

i) that the minimum Promoters' Contribution does not consist of Equity Shares acquired during the preceding three years, which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;

ii) that the minimum Promoters' Contribution does not consist of Equity Shares acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution;

iii) that the minimum Promoters' Contribution may not consist of Equity Shares acquired during the one (1) year immediately preceding the date of this Red Herring Prospectus at a price lower than the price at which the Equity Shares are being Offered to the public in the Offer;

iv) No equity shares have been issued to our promoters upon conversion of a partnership firm during the preceding one year at a price less than the Offer price;

v) that the Equity Shares held by our Promoters which are offered for minimum Promoters' Contribution are not subject to any pledge or any other form of encumbrance whatsoever; and all the Equity Shares of our Company held by the Promoters are dematerialized;

vi) The Equity Shares offered for Promoters' Contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoters for inclusion of its subscription in the Promoters' Contribution subject to lock-in.

b) Details of Equity Shares Locked-in for one (1) year

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked in for three years as specified above, in terms of Regulation 16 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment, except for the Equity Shares sold pursuant to the Offer for Sale and any other categories of shareholders exempt under Regulation 17 of the SEBI ICDR Regulations, as applicable.

The shares which are in dematerialized form shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

c) Other requirements in respect of lock-in

In terms of Regulation 21 of the SEBI ICDR Regulations, locked-in Equity Shares for one (1) year held by our Promoters may be pledged only with scheduled commercial banks or public financial institutions or a systematically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or public financial institutions,

provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Promoters' Contribution for 3 years under Regulation 16(a) of the SEBI ICDR Regulations may be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted to the Issuer Company or its subsidiary(ies) by such banks or financial institutions for the purpose of financing one or more of the objects of the Offer.

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

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by Promoters and locked-in as per Regulation 16 may be transferred to another Promoter or any person of the Promoter group or a new Promoter and the Equity Shares held by persons other than the Promoters and locked-in in terms of Regulation 17, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations and such transferee shall not be eligible to transfer them until the lock-in period stipulated in the SEBI ICDR Regulations has expired. However, it should be noted that the offered shares which will be transferred by the respective Selling Shareholder in the Offer for Sale shall not be subject to lock-in.

d) We further confirm that our Promoters Contribution of 20% of the post-Offer Equity Share capital does not include any contribution from Alternative Investment Fund, Foreign Venture Capital Investors, Scheduled Commercial Banks, Public Financial Institutions or Insurance Companies registered with Insurance Regulatory and Development Authority of India.

e) Lock-in of the Equity Shares to be allotted, if any, to the Anchor Investors

Any Equity Shares allotted to Anchor Investors shall be locked-in for a period of 30 days from the date of Allotment.

8. As on the date of this Red Herring Prospectus, our Company has nine (9) shareholders.

9. **The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:**

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (Rs. Per share)
1.	Anjana Motwani	71,97,335	22.97
2.	Karan Motwani	63,70,000	10.00

10. **Details of the pre and post-Offer shareholding of our Promoters and Promoter group is as below:**

Particulars	Pre-Offer		Post-Offer	
	Number of Equity Shares	Percentage (%) holding	Number of Equity Shares	Percentage (%) holding
Promoters				
Anjana Motwani	71,97,335	50.56%	[●]	[●]
Karan Motwani	63,70,000	44.75%	[●]	[●]

Particulars	Pre-Offer		Post-Offer	
	Number of Equity Shares	Percentage (%) holding	Number of Equity Shares	Percentage (%) holding
Total (A)	**1,35,67,335**	**95.31%**	[●]	**[●]**
Promoter Group				
N.A	*Nil*	*Nil*	*Nil*	*Nil*
Total (B)	*Nil*	*Nil*	*Nil*	*Nil*
Total (A+B)	**1,35,67,335**	**95.31%**	[●]	[●]

11. Except as stated below, none of our Promoters, members of our Promoter group or our directors or their immediate relatives have sold or purchased, or financed the sale or purchase of, Equity Shares by any other person during the six (6) months immediately preceding the date of this Red Herring Prospectus.

Sr. No.	Name of allottees	Number of Equity Shares	Date of Transaction	Nature of Transaction
1.	Anjana Motwani	5,67,335	May 07, 2021	Purchase

12. There are no financing arrangements whereby the Promoters, members of our Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the Issuer during the period of 6 (six) months immediately preceding the date of filing the Red Herring Prospectus.

13. Our Company, our Directors, our Promoters and the BRLM have not entered into any buy-back and/ or standby and/ or similar arrangements for the purchase of Equity Shares of our Company, offered through this draft offer document, from any person.

14. All Equity Shares transferred pursuant to the Offer will be fully paid-up at the time of Allotment.

15. Except Brijesh Parekh HUF holding 51,570 equity shares, the BRLM and its associates do not hold any Equity Shares in our Company as on the date of filing of this Red Herring Prospectus. The BRLM and its 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 receive customary compensation.

16. We have not granted any options or issued any shares under any scheme of employee stock option or employees stock purchase in the preceding three (3) years and we do not intend to allot any Equity Shares to our Employees under ESOS/ ESOP scheme from proposed Offer.

17. As on the date of filing of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments, financial instruments or any other rights which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.

18. An applicant cannot make an application more than the number of Equity Shares being issued through this Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

19. Company may do pre-IPO placement in the period commencing from submission of this Red Herring Prospectus until the Equity Shares to be issued pursuant to the Offer have been listed.

20. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 49 of SEBI ICDR Regulations.

21. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.

22. An over-subscription to the extent of 1% of the Offer can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Offer. Consequently, the actual allotment may go up by a maximum of 1% of the Offer, as a result of which, the post-Offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to 3 years lock- in shall be suitably increased; so as to ensure that 20% of the post Offer paid-up capital is locked in.

23. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the Lead Manager and the Designated Stock Exchange.

24. The unsubscribed portion in any reserved category, if any, may be added to any other reserved category.

25. There are no Equity Shares against which depositories receipts have been issued.

26. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

27. As per RBI regulations, OCBs are not allowed to participate in this Offer.

28. Our Company has not raised any bridge loans against the proceeds of the Offer.

29. Our Company shall comply with such disclosure and accounting norms as may be specified by stock exchange, SEBI and other regulatory authorities from time to time.

30. Our Promoters and Promoter Group will not participate in this Offer, except to the extent of the Offer for Sale.

31. This offer is being made through Book Building method.

32. The BRLM, our Company, our Directors, our Promoters, our Promoter Group and/ or any person connected with the Offer shall not offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant, for making an Application.

33. There are no safety net arrangements for this public offer.

34. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Offer Closing Date will be reported to the Stock Exchanges within 24 hours of such transactions being completed.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder.

Offer for Sale

The Selling Shareholder will be entitled to their portion of the proceeds of the Offer for Sale after deducting their proportion of Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

The Fresh Issue

Requirement of Funds

The proceeds from the Fresh Issue less our Company's share of the Offer related expenses, is estimated to be ₹ [●] Lakhs (the "Net Proceeds").

Our Company proposes to utilize the Net Proceeds towards funding of the following objects:

1. **Funding the working capital requirements of our Company.**

2. **Funding capital expenditure for expansion of production capacity at the existing manufacturing facility at Village Narangi, Raigad, Maharashtra and at the additional unit having a proposed construction area admeasuring about 4,532.57 sq. mtrs. (built-up) area on the adjacent plot ("Proposed Expansion"):**

    - to expand our existing installed capacities for the existing product lines; and
    - to enable us to also add new products to our existing product portfolio.

3. **General corporate purposes.**

(Collectively, referred to herein as the "**Objects**")

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Offer. The existing activities of our Company are within the objects clause of our Memorandum of Association.

Additionally, we believe that the listing of Equity Shares will enhance our Company's corporate image, brand name and create a public market for our Equity Shares in India.

Proceeds from the Fresh Issue

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

(₹ in Lakhs)

Particulars	Estimated amount
Gross Proceeds from the Fresh Issue	[●]*
(Less) Issue related expenses in relation to the Fresh Issue#	[●]
Net Proceeds	[●]*

*Subject to finalisation of Basis of Allotment.

#Other than (i) the listing fees, which will be solely borne by our Company; all Offer related expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholder on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholder in the Offer for Sale, respectively.

Utilization of Net Proceeds

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

(₹ in Lakhs)

Sr. No.	Particulars	Estimated amount
1.	Funding capital expenditure for the Proposed Expansion	2,550.86
2	Funding the incremental working capital requirements of our Company	5,400.00
3.	General corporate purposes	[●]*

**Shall be disclosed on finalization of Offer Price. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.*

Proposed schedule of implementation and deployment of Net Proceeds

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

(₹ in Lakhs)

Sr. No.	Particulars	Total estimated cost	Amount to be funded from the Net Proceeds	Estimated Deployment of Net Proceeds		
				Fiscal 2022	Fiscal 2023	Fiscal 2024
1	Funding capital expenditure for the Proposed Expansion	2,663.00(1)	2,550.86(2)	942.89	1,225.90	382.07
2.	Funding the incremental working capital requirements of our Company	5,400.00	5,400.00	1,600.00	2,000.00	1,800.00
3.	General corporate purposes (3)	[●]	[●]	[●]	[●]	[●]
	TOTAL	[●]	**[●]**	**[●]**	**[●]**	**[●]**

(1) Total estimated cost, excluding GST, in respect of the Proposed Expansion as per renewed quotes received from vendors.

(2) As on November 22, 2021, our Company has already deployed an amount equivalent to ₹36.70 lakhs towards this object as certified by M/s. Priya Choudhary & Associates LLP, our Statutory Auditors vide certificate dated November 23, 2021. The amount expensed by our Company shall be recouped from the Net Proceeds.

(3) *The difference/ remaining amount of ₹112.15 lakhs towards the total estimated cost (i.e. cost in addition to the amount being utilized from the Net Proceeds) will be funded from internal accruals by our Company.*
(4) *To be finalized upon determination of the Offer 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.*

The funding requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations from vendors, and other commercial and technical factors. However, such funding requirements and deployment of funds have not been verified by the Book Running Lead Manager or appraised by any bank or financial institution.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, including changes in design or configuration of the machines/equipment, incremental raw material expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. Consequently, the funding requirements of our Company are subject to revisions in the future at the discretion of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. While we intend to deploy the Net Proceeds towards the Objects from listing of the Equity Shares pursuant to the Offer till FYE 2024, the actual deployment of funds will depend on a number of factors as stated above. We cannot assure you that the deployment of Net Proceeds will take place within the aforesaid period, as currently intended. Depending upon the above factors, we may have to reduce or extend the deployment period for the stated Objects beyond the estimated period, at the discretion of our 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 utilising our internal accruals or seeking debt financing. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event of the estimated utilisation of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects of the Fresh Issue, if required and towards 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 Fresh Issue in accordance with the SEBI ICDR Regulations. For details on risks involved, see Risk Factor No. 38“ – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control” on page 38 of this Red Herring Prospectus.

Means of finance

The funding 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, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our

current business plan, management estimates, and other commercial and technical factors. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management.

Details of the Objects

The details of the Objects are set out below:

1. Funding the incremental working capital requirements of the Company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth, financing from banks and financial institutions and unsecured loans from Promoters. As on September 30, 2021, the outstanding amount under the fund based working capital facilities of our Company was ₹ 1702.52 Lakhs. For further details, please refer to the chapter titled "*Financial Indebtedness*" beginning on page 291 of this Red Herring Prospectus.

Our Company's existing working capital requirement and funding on the basis of Restated Financial Statements for Fiscal 2020 and for Fiscal 2021 are as stated below:

(Rs in lakhs)

Particulars	Fiscal 2020	Fiscal 2021
Current Assets		
Cash and Cash Equivalents	75.65	83.10
Trade Receivables	1,979.85	2,286.61
Inventories	1,852.03	3,239.69
Other Current Assets including Loans and Advances	226.50	567.62
Total (A)	**4,134.02**	**6,177.02**
Current Liabilities		
Trade Payables	1,526.79	2,589.04
Other Financial and Current Liabilities including Provisions	269.98	768.83
Total (B)	**1,796.77**	**3,357.87**
Net Working Capital (A)-(B)	**2,337.25**	**2,819.15**
Existing Funding Pattern-		
Working capital funding from banks	2,096.1	2,031.42
Internal Accruals	241.18	787.73

Basis of estimation of working capital requirements

Our Company requires additional working capital on account of the estimated increase in sales across our product portfolio of adhesives and sealants. As per our business strategies, such estimates can be attributed to an increase in demand of our products from our distribution network as well as from the expansion of our distribution network. In line with the increase in sales, we aim to offer a reasonable credit period to the distributors. Further, the purchase of some of our key raw materials are on advance payment basis. Thus, to support the expected increase in sales, our Company needs to maintain adequate working capital to build inventory of raw materials and finished goods as well as be able to offer favourable terms to our customers. Funding our incremental working capital requirements from the Issue

Proceeds will enable the Company to negotiate favourable terms with the suppliers leading to savings in raw material costs as well as by offering reasonable credit to our customers, achieving revenue growth, resulting in an increase in profitability.

The Board of Directors of our Company pursuant to its resolution at its meeting dated July 14, 2021 has approved the working capital requirements of our Company. The details of our Company's estimated and projected working capital requirements for the Fiscal 2022, Fiscal 2023 and Fiscal 2024 for funding of the same are as provided in the table below:

(Rs. in Lakhs)

Particulars	Fiscal 2022 (Estimated)	Fiscal 2023 (Projected)	Fiscal 2024 (Projected)
Current Assets			
Cash and Cash Equivalents	250.00	500.00	750.00
Trade Receivables	3,226.23	4,823.44	6,700.20
Inventories	3,953.83	5,336.42	6,810.55
Other Current Assets including Loans and Advances	688.26	1,029.00	1,429.38
Total (A)	**8,118.31**	**11,688.86**	**15,690.13**
Current Liabilities			
Trade Payables	2,433.12	2,890.56	3,714.85
Other Financial and Current Liabilities including Provisions	917.50	1,341.64	1,852.02
Total (B)	**3,350.62**	**4,232.20**	**5,566.87**
Net Working Capital (A)-(B)	**4,767.69**	**7,456.66**	**10,123.26**
Working capital funding from banks	2,031.42	2,031.42	2,031.42
Incremental working capital requirement:	**1,948.54**	**2,688.97**	**2,666.60**
Funding from Net IPO Proceeds	1,600.00	2,000.00	1,800.00
Internal accruals	348.54	688.97	866.60

Note: Based on the management certificate dated July 15, 2021 certifying the working capital requirements of the Company.

Our Company proposes to utilize upto ₹5,400.00 lakhs from the Net Proceeds towards funding our incremental working capital requirements. In addition to the working capital funding from Banks, our Company expects that the funding pattern for incremental working capital requirements for Fiscals 2022, 2023 and 2024 will comprise of Net Proceeds and internal accruals.

Holding Period Levels

(In days)

Particulars	Holding Level for Fiscal 2020	Holding Level for Fiscal 2021	Holding Level for Fiscal 2022 (Estimated)	Holding Level for Fiscal 2023 (Projected)	Holding Level for Fiscal 2024 (Projected)
Current Assets					
Inventories	102	135	130	120	110

Particulars	Holding Level for Fiscal 2020	Holding Level for Fiscal 2021	Holding Level for Fiscal 2022 (Estimated)	Holding Level for Fiscal 2023 (Projected)	Holding Level for Fiscal 2024 (Projected)
Trade Receivables	76	71	75	75	75
Current Liabilities					
Trade Payables	84	108	80	65	60

Justification for "Holding Period" levels

The justifications for the holding levels mentioned in the table above are provided below:

Assets- Current Assets	
Inventories	Inventory levels are maintained by our Company depending upon the demand scenario and delivery schedules. Our historical inventory days (calculated as closing inventory on balance sheet date divided by Cost of Goods sold over no. of days in the reporting period i.e. 365 days) were 102 days as on March 31, 2020 and 135 days as on March 31, 2021. We have anticipated that going forward our inventory holding levels will stabilize in Fiscal 2022 to 130 days and continue the downward trend on account of better inventory management to 120 days in Fiscal 2023 and 110 days in Fiscal 2024.
Trade Receivables	Our Company gives credit facility to its customers in the normal course of business. Our outstanding Trade Receivables (calculated as closing trade receivables divided by Net sales from operations over no. of days in reporting period i.e 365 days) were 76 days in Fiscal 2020 and 71 days in Fiscal 2021. Going forward, we anticipate providing credit period to our customers for 75 days each for Fiscal 2022, 2023 and 2024 as we continue to expand our operations and grow our business.
Liabilities–Current Liabilities	
Trade Payables	Our Trade Payable days are derived from Restated financial statements (calculated as Closing Trade Payables as on balance sheet date divided by cost of goods sold over no. of days in reporting period i.e 365 days)). They were 84 days in Fiscal 2020 and 108 days in Fiscal 2021. We have assumed trade payables period of 80 days, 65 days and 60 days for the Fiscals 2022, 2023 and 2024 we intend to prune our creditor days going ahead and negotiate better pricing terms from creditors by purchasing Materials and availing limited credit from them.

2. Funding capital expenditure for the Proposed Expansion

According to the CRISIL Report, India's consumer adhesives industry is expected to clock 9-10% CAGR between fiscals 2021 and 2026 driven by economic recovery and growth in end-user industries. In particular, demand is expected to recover in fiscal 2022, growing at 14-15% on-year, on a low base of fiscal 2021, as the Indian economy recovers from the impact of the pandemic. Overall, growth of the consumer adhesives industry is expected to moderate and log a CAGR of ~8% between fiscals 2022 and 2026. Leveraging our experience and expertise, we seek to capitalize on these growth opportunities and intend to expand our existing manufacturing facility situated at Survey No. 7, Hissa No. 14(1)B(1), 14(1)B(2), 14(1)A, Village Narangi, Raigad in Maharashtra (the "**Existing Facility**") and at additional

unit having a proposed construction area admeasuring about 4,532.57 sq. mtrs. (built-up) area on the adjacent plot situated at Survey No. 7/18, Village Narangi, Raigad, Maharashtra (the "**Additional Unit**"). The machinery, equipment and utilities to be purchased shall be used for increasing the production capacities of our existing products PVC, cPVC and uPVC Solvent Cement, Synthetic Rubber Adhesive, PVA Adhesives, Silicone Sealant, Gasket Shellac, PVC pipe Lubricants and also to commence the manufacture of Epoxy Adhesives and Spray Paint.

As of March 31, 2021, our Existing Facility had an installed production capacity of 6,098.82 kilo litres per annum (KLPA) for solvent cement and 3,274.56 MTPA for other adhesives and sealants. In addition to the above, we propose to expand by setting up an Additional Unit to build new capabilities to support the production of our product portfolio. The combined installed production capacity from Existing Facility and Additional Unit is proposed to be increased to 8,265.60 KLPA of solvent cement and 11,908.40 MTPA of other adhesives and sealants by end of Fiscal 2024.

Given below are some of the material approvals which are required for the proposed Additional Unit with their current status:

a) License for expansion under the Factories Act, 1948: To be applied

b) Consent to establish under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 for manufacturing Silicon Sealant upto 150 MT/ month: Obtained

c) Consent to Operate under the Water (Prevention & Control of Pollution) Act 1981, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 : Applied

The Company shall apply for the pending approvals for the Proposed Expansion, if any, as and when required in the due course of time. For further details on our strategy on such proposed expansion, see *"Our Business –Strategies – Expansion of manufacturing facility"* on page 154 of this RHP.

Estimated Costs

The total estimated cost of the Proposed Expansion is ₹2,663.00 lakhs. Our Board in its meeting dated July 14, 2021 approved amount of ₹2,550.86 Lakhs for funding the proposed expansion from the Net Proceeds. This cost has been estimated by our management in accordance with our business plan, current and valid quotations from vendors and other commercial and technical factors. No second-hand or used machinery/ equipment are proposed to be purchased out of the Net Proceeds. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

The detailed break-down of the funds to be utilized from the Net Proceeds towards the estimated cost is set forth below:

(₹ in Lakhs)

Particulars	Amount
Machinery, Equipment, Automation, etc.	2,284.02
Utilities	45.09
Fire and Safety Equipment	100.27
Contingency	121.47
Total	**2,550.86**

A) Machinery, Equipment, Automation, etc.

Our Company proposes to acquire machineries at a total estimated cost of about ₹ 2,366.98 lakhs of which ₹2,284.02 lakhs shall be utilized from the Net Proceeds. We have identified the type of plant and machinery to be purchased for the proposed manufacturing unit and obtained quotations from different vendors for the total estimated cost, and are yet to place order for 95.33% of the plant and machinery worth ₹ 2,256.46 lakhs.

The detailed list of machinery, equipment and Automation to be purchased by our Company is provided below:

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in Rs. In INR (Excluding taxes)	Total Cost Estimate as per Quotation in Rs. (Excluding taxes)	Applicable GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
SOLVENT CEMENT											
1.	Twin Shaft Solvent Mixers- 2KL	3	13,35,000	40,05,000	18 %	Hexamide Agro Tech Incorporation	Khopoli, Maharashtra	15 November 2021	Based on Market Steel Price	40 % Advance with PO, 30% WIP, balance 30% before dispatch	8 to 10 working weeks
2.	Automatic Four Head VISCOUS Liquid Bottle Filling Machine With Servo Motor, PLC And HM	3	13,75,000	41,25,000	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January2022	20% advance with PO, 70% against Proforma Invoice, 10% after 1 month from delivery	12 to 14 weeks
	Flameproof Main Panel (FLP) near Filling Machine	3	2,50,000	7,50,000	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January2022	20% advance with PO, 70% against Proforma Invoice,	12 to 14 weeks

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in Rs. In INR (Excluding taxes)	Total Cost Estimate as per Quotation in Rs. (Excluding taxes)	Applicable GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
										10% after 1 month from delivery	
3.	Transfer Gear Pump	3	68,000	2,04,000	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January2022	20% advance with PO, 70% against Proforma Invoice, 10% after 1 month from delivery	12 to 14 weeks
4.	Air Operated Diaphram Pump	3	75,000	2,25,000	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January2022	20% advance with PO, 70% against Proforma Invoice, 10% after 1 month from delivery	12 to 14 weeks
5.	Turn Table GMP Model”36"	3	1,50,500	4,51,500	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January2022	20% advance with PO, 70% against Proforma Invoice, 10% after 1 month from delivery	12 to 14 weeks

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in Rs. In INR (Excluding taxes)	Total Cost Estimate as per Quotation in Rs. (Excluding taxes)	Applicable GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
6.	Automatic Single Head Screw Capping Machine	6	4,75,000	28,50,000	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January2022	20% advance with PO, 70% against Proforma Invoice, 10% after 1 month from delivery	12 to 14 weeks
	Flameproof for capping machine	6	2,10,000	12,60,000	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January2022	20% advance with PO, 70% against Proforma Invoice, 10% after 1 month from delivery	12 to 14 weeks
7.	Sticker Labeller Machine 120BPM	3	20,00,000	60,00,000	18 %	Tula Engineering Pvt. Ltd.	MIDC, Mumbai	17 November 2021	17 December 2021	50% advance, balance 50% before dispatch	16 to 18 weeks
8.	Coding Machine-Hitachi Inkjet Printer UX with Conveyor-AC Motor Driven	3	1,70,000	5,10,000	18 %	Dotsmark Systems India Pvt Ltd.	Bhayander, Dist. Thane	15 November 2021	14 January2022	100% advance with PO	3 to 4 weeks

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in Rs. In INR (Excluding taxes)	Total Cost Estimate as per Quotation in Rs. (Excluding taxes)	Applicable GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
9.	Bottom Coding Conveyor	3	2,15,000	6,45,000	18 %	Dotsmark Systems India Pvt Ltd.	Bhayander, Dist. Thane	15 November 2021	14 January2022	100% advance with PO	3 to 4 weeks
10.	Carton sealing Machine TS-900TB With 3" Tapping Head.	3	1,79,000	5,37,000	18 %	Eagle Manufacturing Co.	Ghatkopar, Mumbai	15 November 2021	15 December 2021	50% advance, 50% against proforma Invoice	2-3 weeks
11.	Fully Automatic PP Box Strapping Machine with PLC Control	3	2,65,000	7,95,000	18 %	Eagle Manufacturing Co.	Ghatkopar, Mumbai	15 November 2021	15 December 2021	100% payment against proforma Invoice	2 weeks
12.	SCL'SS' Fully Automatic Double head Linear tube filling machine for Aluminum tube	1	20,84,000	20,84,000	18 %	SCLASS Machinery Pvt. Ltd.	Kalyan, Maharashtra	13 November 2021	12 January 2022	40% with PO, 50% before dispatch and balance 10% earlier –f - after installation or 2 months of dispatch	12 weeks
13.	WIMCO Carton–r - 120 PAC- TC	1	29,00,000	29,00,000	18 %	Wimco Limited	Ambarnath, Maharashtra	16 November 2021	16 December 2021	50% with PO and balance 50% before dispatch	12 weeks

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in Rs. In INR (Excluding taxes)	Total Cost Estimate as per Quotation in Rs. (Excluding taxes)	Applicable GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
14.	SCADA	1	2,45,00,000	2,45,00,000	18 %	Prismtech Packing Solutions Pvt Ltd	Navi Mumbai	17 November 2021	17 December 2021	50% with PO and balance 50% before delivery	10 weeks
15.	Heavy Duty Racking System	1	28,80,000	28,80,000	18 %	Liftman India Technologies	Dombivili, Thane	16 November 2021	16 January 2022	50% advance, balance 50% before dispatch	8 weeks
16.	Toyota Internal Combustion Engine Forklift Truck	1	14,94,000	14,94,000	18 %	Toyota Material Handling India Pvt. Ltd.	Pune, Maharashtra	13 November 2021	13 December 2021	30% advance,balance 70% before dispatch	1 to 2 months
17.	LIFTMAN Fully Electric Stacker- 6m	1	5,85,000	5,85,000	18 %	Liftman India Technologies	Dombivili, Thane	16 November 2021	15 January2022	70% advance,balance 30% before dispatch	6 weeks
18.	Dispatch vehicle- TATA 1012 LPT	2	21,02,000	42,04,000	18 %	Kamal Motors	Navi Mumbai	08 July 2021	NA	100% advance	2 weeks

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in Rs. In INR (Excluding taxes)	Total Cost Estimate as per Quotation in Rs. (Excluding taxes)	Applicable GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
19.	Blending Vessel- WIP tank with Gear Box Motor- 2KL	8	6,83,000	54,64,000	18 %	Hexamide Agro Tech Incorporation	Khopoli, Maharashtra	15 November 2021	Based on Market Steel Price	40 % Advance With PO, 30% WIP, balance 30% before dispatch	8 to 10 weeks
20.	Packing Conveyer Belt- 8ft	11	95,500	10,50,500	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January2022	20% advance, 70% before dispatch, 10% after a month from delivery	6 to 8 weeks
21.	Electro Hydraulic RDL Series Dock Lever	2	2,45,000	4,90,000	18 %	Gandhi Automations Pvt Ltd	Malad, Mumbai	15 November 2021	16 December 2021	75% advance, 25% before dispatch	1week
22.	Josts make Hydraulic Hand Pallet truck (HPT)- 2.5MT	4	16,500	66,000	18 %	Jainam Engineering & Services	Borivali, Mumbai	15 November 2021	14 January2022	100% advance with PO	Immediately/ Ex-Stock
23.	Horizontal Storage Tank for RM- 20 KL	6	14,55,000	87,30,000	18 %	Hexamide Agro Tech Incorporation	Khopoli, Maharashtra	15 November 2021	Based on Market Steel Price	40 % Advance With PO, 30% WIP, balance 30% efore dispatch	6 to 8 weeks

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in Rs. In INR (Excluding taxes)	Total Cost Estimate as per Quotation in Rs. (Excluding taxes)	Applicable GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
SILICON SEALANT											
24.	Dispersing Power Mixer	3	62,25,000	1,86,75,000	Import	Foshan Golden Milky Way Intelligent Equipment Co., Ltd	China	13 July 2021	NA	30% advance, balance 70% before dispatch	90 days
25.	Hydraulic Discharge Extruder	2	18,00,000	36,00,000	Import	Foshan Golden Milky Way Intelligent Equipment Co., Ltd	China	13 July 2021	NA	30% advance, balance 70% before dispatch	90 days
26.	Automatic Cartridge Filling Machine with Volumetric Dosing Cylinder & Hydraulic Drum Presser	3	34,65,000	1,05,15,000	Import	HUGEMATIC Industries Co., Limited	China	16 November 2021	30 November 2021	30% advance, balance 70% before dispatch	60 days

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in Rs. In INR (Excluding taxes)	Total Cost Estimate as per Quotation in Rs. (Excluding taxes)	Applicable GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
27.	Toyota Internal Combustion Engine Forklift Truck	1	14,94,000	14,94,000	18 %	Toyota Material Handling India Pvt. Ltd.	Pune, Maharashtra	13 November 2021	13 December 2021	30% advance, balance 70% before dispatch	1 to 2 months
28.	Josts make Electric Operated Stand-On Stacker-1.7mt/6M	1	6,49,500	6,49,500	18 %	Jainam Engineering & Services	Borivali, Mumbai	15 November 2021	16 December 2021	100% advance with PO	6 to 8 weeks
29.	Josts make Hydraulic Hand Pallet truck (HPT)-2.5MT	4	16,500	66,000	18 %	Jainam Engineering & Services	Borivali, Mumbai	15 November 2021	14 January 2022	100% advance with PO	Immediately/ Ex-Stock
30.	Heavy Duty Racking System	1.5	21,60,000	32,40,000	18 %	Liftman India Technologies	Dombivili, Thane	16 November, 2021	15 January, 2022	50% advance, balance 50% before dispatch	6 to 8 weeks
RUBBER LUBRICANT											
31.	PVC pipe Lubricant Vessel- 500L	2	4,25,000	8,50,000	18 %	Hexamide Agro Tech	Khopoli, Maharashtra	15 Nov emb	Based on Marke	40 % Advance With PO, 30% WIP,	8 to 12 working weeks

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in Rs. In INR (Excluding taxes)	Total Cost Estimate as per Quotation in Rs. (Excluding taxes)	Applicable GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
						Incorporation		er 2021	t Steel Price	balance 30% before dispatch	
32.	Automatic Two Head Liquid Bottle Filling Machine	3	7,40,000	22,20,000	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January 2022	20% advance, 70% before dispatch, 10% after a month from delivery	8 to 10 weeks
	Flameproof Control panel on separate stand near Machine.	3	2,10,000	6,30,000	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January 2022	20% advance, 70% before dispatch, 10% after a month from delivery	8 to 10 weeks
RUBBER ADHESIVE											
33.	Twin Shaft Solvent Mixers- 2KL	2	13,35,000	26,70,000	18 %	Hexamide Agro Tech Incorporation	Khopoli, Maharashtra	15 November 2021	Based on Market Steel Price	40 % Advance With PO, 30% WIP, balance 30% before dispatch	8 to 10 working weeks
34.	Blending Vessel -WIP with Gear Box Motor- 2KL	6	6,83,000	40,98,000	18 %	Hexamide Agro Tech Incorporation	Khopoli, Maharashtra	15 November 2021	Based on Market Steel Price	40 % Advance With PO, 30% WIP, balance 30%	8 to 10 working weeks

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in Rs. In INR (Excluding taxes)	Total Cost Estimate as per Quotation in Rs. (Excluding taxes)	Applicable GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
										before dispatch	
35.	Automatic Two Head Viscous Liquid Bottle Filling machine	1	8,75,000	8,75,000	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January 2022	20% advance, 70% before dispatch, 10% after a month from date of delivery	8 to 10 weeks
	Flameproof Control panel on separate stand near Machine.	1	2,10,000	2,10,000	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January 2022	20% advance, 70% before dispatch, 10% after a month from date of delivery	8 to 10 weeks
36.	SCADA	1	1,40,00,000	1,40,00,000	18 %	Prismtech Packing Solutions Pvt Ltd	Navi Mumbai	17 November 2021	17 December 2021	50% with PO and balance 50% before delivery	8 to 10 weeks
37.	Heavy Duty racking system	1	21,60,000	21,60,000	18 %	Liftman India Technologies	Dombivili, Maharashtra	16 November, 2021	15 January, 2022	50% advance, balance 50% before dispatch	6 to 8 weeks

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in Rs. In INR (Excluding taxes)	Total Cost Estimate as per Quotation in Rs. (Excluding taxes)	Applicable GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
38.	Josts make Electric Operated Stand-On Stacker-1.7mt/6M	2	6,49,500	12,99,000	18 %	Jainam Engineering & Services	Borivali, Mumbai	15 November 2021	16 December 2021	100% advance with PO	6 to 8 weeks
39.	Josts make Hydraulic Hand Pallet truck (HPT)-2.5MT	1	16,500	16,500	18 %	Jainam Engineering & Services	Borivali, Mumbai	15 November 2021	14 January 2022	100% advance with PO	Immediately/ Ex-Stock
40.	Horizontal Storage Tank for RM- 20 KL	4	14,55,000	58,20,000	18 %	Hexamide Agro Tech Incorporation	Khopoli, Maharashtra	15 November 2021	Based on Market Steel Price	40 % Advance With PO, 30% WIP, balance 30% before dispatch	6 to 8 weeks
PVA ADHESIVE											
41.	Volume Rubber Adhesive Vessel with Gear Box Motor- 4KL	4	14,25,000	57,00,000	18 %	Hexamide Agro Tech Incorporation	Khopoli, Maharashtra	15 November 2021	Based on Market Steel Price	40 % Advance With PO, 30% WIP, balance 30% before dispatch	8 to 12 working weeks
42.	– SS304 Blending Vessel -WIP	6	7,94,000	47,64,000	18 %	Hexamide Agro	Khopoli, Maharashtra	15 Nov emb	Based on Marke	40 % Advance With PO,	8 to 12 workin

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	with Gear Box Motor 4kl					Tech Incorporation		er 2021	t Steel Price	30% WIP, balance 30% before dispatch	g weeks
43.	Automatic Two Head Viscous Liquid Bottle Filling machine	1	7,40,000	7,40,000	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January 2022	20% advance with PO, 70% against Proforma Invoice, 10% after a month from delivery	8 to 10 weeks
	Flameproof Control panel on separate stand near Machine	1	2,10,000	2,10,000	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January 2022	20% advance with PO, 70% against Proforma Invoice, 10% after a month from delivery	8 to 10 weeks
44.	AC Motor Driven Vertical FFS Machine-pouch filling line	2	13,50,000	27,00,000	18 %	Select Packaging machinery Pvt. Ltd.	Thane	16 November 2021	15 January2021	60% advance, balance 40% against Proforma Invoice before dispatch	10-12 weeks

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45.	Josts make Electric Operated Stand-On Stacker-1.7mt/6M	1	6,49,500	6,49,500	18 %	Jainam Engineering & Services	Borivali, Mumbai	15 November 2021	14 January 2022	60% advance payment with PO and balance 40% against proforma invoice (prior to dispatch)	6 to 8 weeks
46.	Josts make Hydraulic Hand Pallet truck (HPT)-2.5MT	1	16,500	16,500	18 %	Jainam Engineering & Services	Borivali, Mumbai	15 November 2021	14 January 2022	100% advance	Immediately/ Ex stock
47.	Horizontal Storage Tank for RM- 20 KL	2	14,55,000	29,10,000	18 %	Hexamide Agro Tech Incorporation	Khopoli, Maharashtra	15 November 2021	Based on Market Steel Price	40% Advance With PO, 30% WIP, balance 30% before dispatch	6 to 8 weeks
48.	Horizontal Storage Tank for RM- 10 KL	2	9,45,000	18,90,000	18 %	Hexamide Agro Tech Incorporation	Khopoli, Maharashtra	15 November 2021	Based on Market Steel Price	40% Advance With PO, 30% WIP, balance 30% before dispatch	6 to 8 weeks

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SHELLAC											
49.	Royal Grease Lubrication Jaw Crusher	1	2,35,000	2,35,000	18 %	Royal Engineering	Ahmedabad, Gujarat	16 November 2021	15 January 2022	40% advance with PO, balance 60% before dispatch	20 working days
50.	Four Head Automatic Shellac Filling Machine	1	5,25,000	5,25,000	18 %	Dynamic Enterprises	Goregaon, Mumbai	16 November 2021	15 January2022	50% advance, balance 50% before dispatch	2-3 weeks
EPOXY											
51.	Twin Shaft Solvent Mixers- 2KL	3	13,35,000	40,00,000	18 %	Hexamide Agro Tech Incorporation	Khopoli, Maharashtra	15 November 2021	Based on Market Steel Price	40 % Advance With PO, 30% WIP, balance 30% before dispatch	8 to 10 working weeks
52.	Unsaturated Polyester Resin Plant	1	60,00,000	60,00,000	18 %	Universal Engineering Systems	Mumbai	16 November 2021	15 January 2022	40 % Advance With PO, 50% after supply, balance 10% after commissioning	3 months
53.	Automatic Four Head VISCOUS Liquid Bottle	7	15,50,000	1,08,50,000	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 Nov emb	14 January2022	20% advance, 70% against	8 to 10 weeks

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in Rs. In INR (Excluding taxes)	Total Cost Estimate as per Quotation in Rs. (Excluding taxes)	Applicable GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
	Filling Machine With Servo Motor, PLC And HM							er 2021		Proforma Invoice, 10% after a month from delivery	
	Flameproof Main Panel (FLP) near Filling Machine	7	2,50,000	17,50,000	18 %	GMP Mach Pro	Ahmedabad, Gujarat	15 November 2021	14 January 2022	20% advance, 70% against Proforma Invoice, 10% after a month from delivery	8 to 10 weeks
54.	SCL'SS' Fully Automatic Double head Linear tube filling machine for Aluminum tube	2	20,84,000	41,68,000	18 %	SCLASS Machinery Pvt. Ltd.	Kalyan	13 November 2021	12 December 2021	40% with PO, 50% before dispatch and balance 10% after installation or within 2 months of dispatch	12 weeks
55.	WIMCO Carton–r - 120 PAC- TC	1	29,00,000	29,00,000	18 %	Wimco Limited	Ambarnath, Maharashtra	16 November 2021	16 December 2021	50% with PO and balance 50% before dispatch	4 months
56.	SCADA	1	1,55,00,000	1,55,00,000	18 %	Prismtech Packing Soluti	Navi Mumbai	17 November 2021	16 December 2021	50% with PO and balance 50% before dispatch	8 to 10 weeks

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						ons Pvt Ltd					
57.	Heavy Duty Racking System	1.5	21,60,000	32,40,000	18 %	Liftman India Technologies	Dombivili, Maharashtra	16 November 2021	15 January 2022	50% advance, 50% before dispatch	6 to 8 weeks
58.	Josts make Electric Operated Stand-On Stacker- 1.7mt/6M	1	6,49,500	6,49,500	18 %	Jainam Engineering & Services	Borivali, Mumbai	15 November 2021	15 December 2021	100% advance	6 to 8 weeks
59.	Blending Vessel- WIP tank with Gear Box Motor- 2KL	6	6,83,000	40,98,000	18 %	Hexamide Agro Tech Incorporation	Khopoli, Maharashtra	15 November 2021	Based on Market Steel Price	40 % Advance With PO, 30% WIP, balance 30% before dispatch	8 to 10 working weeks
60.	Josts make Hydraulic Hand Pallet truck (HPT)- 2.5MT	3	16,500	49,500	18 %	Jainam Engineering & Services	Borivali, Mumbai	15 November 2021	14 January 2022	100% advance	Immediately/ Ex-Stock
61.	Horizontal Storage Tank	3	14,55,000	43,65,000	18 %	Hexamide Agro	Khopoli, Maharashtra	15 Nov emb	Based on Marke	40 % Advance With PO,	6 to 8 weeks

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	for RM- 20 KL					Tech Incorporation		er 2021	t Steel Price	30% WIP, balance 30% before dispatch	
62.	Horizontal Storge tank for RM- 10 KL	2	9,45,000	18,90,000	18 %	Hexamide Agro Tech Incorporation	Khopoli, Maharashtra	15 November 2021	Based on Market Steel Price	40 % Advance With PO, 30% WIP, balance 30% before dispatch	6 to 8 weeks
SPRAY PAINT											
63.	High Speed Disperser-Mixer	3	3,00,000	9,00,000	18 %	Tipco Engineering Works	Delhi	16 November 2021	15 January 2022	40% advance and balance 60% before dispatch	4 to 6 weeks
64.	Paint Filling Machine	4	3,00,000	12,00,000	18 %	Tipco Engineering Works	Delhi	16 November 2021	15 January 2022	40% advance and balance 60% before dispatch	4 to 6 weeks
65.	Aerosol Filling Lines	1	8,05,000	8,05,000	18 %	Aspire Industries	Navi Mumbai	16 November 2021	15 December 2021	50% advance and balance 50% before shipment	45 days
66.	Heavy Duty Racking System	1	14,40,000	14,40,000	18 %	Liftman India Techn	Dombivili, Maharashtra	08 July 2021	15 January 2022	50% advance, 50% before dispatch	6 to 8 weeks

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in Rs. In INR (Excluding taxes)	Total Cost Estimate as per Quotation in Rs. (Excluding taxes)	Applicable GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
						ologies					
67.	Horizontal Storge tank for RM- 10 KL	2	9,45,000	18,90,000	18 %	Hexamide Agro Tech Incorporation	Khopoli, Maharashtra	16 November 2021	Based on Market Steel Price	40 % Advance With PO, 30% WIP, balance 30% before dispatch	6 to 8 weeks
68.	SS 304 Vessel- WIP Tanks 500 kgs	6	1,20,150	7,20,900	18 %	Maxell Engineers	Mumbai	17 November 2021	Subject to steel market change	80% advance and balance 20% before dispatch	30 to 40 days
69.	Josts make Hydraulic Hand Pallet truck (HPT)- 2.5MT	3	16,500	49,500	18 %	Jainam Engineering & Services	Borivali, Mumbai	15 November 2021	14 January 2022	100% advance	Immediately/ Ex-Stock
TOTAL				**23,66,98,400**							

*The above costs are exclusive of GST and installation & commissioning charges. Further, packing and other ancillary charges shall be additional as per actuals.

**The cost of machinery provided by the vendor is in USD. The amount has been converted into the nearest whole Indian Rupee at the exchange rate of ₹ 75= 1 USD since the last available rate on www.fbil.org.in is of ₹ 74.35= 1 USD on November 15, 2021 for the purpose of disclosure of the selected items in this Red Herring Prospectus. There may be a fluctuation in the exchange rate between the Indian Rupee and the USD rate and accordingly such transactions may affect the final funding requirements and deployment of the Net Proceeds.

Note: As on November 22, 2021, our Company has already deployed an amount equivalent to ₹31.41 lakhs towards the purchase of Machinery, Equipment, Automation, etc. as certified by M/s. Priya Choudhary & Associates LLP, our Statutory Auditors vide certificate dated November 23, 2021. This amount

expended by our Company shall be recouped from the Net Proceeds. The difference/ remaining amount of ₹82.96 lakhs towards the total estimated cost (i.e., cost in addition to the amount being utilized from the Net Proceeds) will be funded from internal accruals by our Company.

B) Utilities

Our Company has estimated the requirement of the following utilities with a total estimated cost of ₹66.59 Lakhs of which ₹45.09 Lakhs shall be utilized from the Net Proceeds. We have identified the utilities for the proposed expansion and obtained quotations from vendors for the total estimated cost, and are yet to place orders for 77.55% of the utilities worth ₹51.64 lakhs:

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in INR	Total Cost Estimate as per Quotation in INR	GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
1	ELGI make Compressor Set (with receiver and micro air dryer) Capaci–y - 15KW-22KW	1	692,500	692,500	18%	ELGi	Mumbai	14 November, 2021	14 December 2021	40 % advance balance against proforma invoice prior to dispatch	5-6 weeks
2	DG S–T - 500 KVA (400 kW / 500 kVA, SILENT Diesel Generating Set with CPCB II)	1	2,650,000	2,650,000	18%	Powerica Limited	Bangalore	14 November, 2021	14 December 2021	30% alongwith PO 70% against PI before dispatch	3 to 4 weeks

Sr. No.	Description as per Quote	No. of units to be purchased	Per Unit Cost Estimate as per Quotation in INR	Total Cost Estimate as per Quotation in INR	GST	Name of Vendor	Location	Date of Quotation relied upon for the cost estimate	Validity of Quotation	Payment Terms	Delivery
3	NON IBR Steam Boiler Capacity-850kg/hr	1	1,023,906	1,023,906	As applicable at the time of deliver	Thermax Limited	Pune	11 November, 2021	11 December 2021	30% Advance of the basic ex-works price, balance 70% with full taxes against proforma invoice.	50 Days
4	Chiller- 10 TR	1	425,000	425,000	18%	A to Z Refrigeration Service	Andheri, Mumbai	14 November, 2021	14 December 2021	100% advance	5 to 6 weeks
5	Stabilizer-Air Cooled SCVS 300 KVA	1	372,500	372,500	18%	Mech Engineers	Borivali, Mumbai	14 November, 2021	14 December 2021	50% Advance, Rest With Dispatch	3 Weeks
6	Outdoor Transformer-1000KVA	1	1,495,000	1,495,000	18%	Deltron Electricals	Vasai, Maharashtra	13 July, 2021	12 August 2021	30% advance and balance 70%, before dispatch	5-6 working days
	TOTAL			**6,658,906**							

Note: *As on November 22, 2021, our Company has already deployed an amount equivalent to ₹ 5.29 lakhs towards the purchase of Utilities as certified by M/s. Priya Choudhary & Associates LLP, our Statutory Auditors vide certificate dated November 23, 2021. This amount expended by our Company shall be recouped from the Net Proceeds. The difference/ remaining amount of ₹21.50 lakhs towards the total estimated cost (i.e. cost in addition to the amount being utilized from the Net Proceeds) will be funded from internal accruals by our Company.*

There is no impact of GST on the aforesaid quotations as the Company shall be able to avail Input Tax Credit for the GST. Further, competitive quotes were received from other vendors for some of the equipment listed above.

All of the abovementioned quotations received from the vendors are valid as on the date of this Red Herring Prospectus. Our Company has received quotations from different vendors for machinery, equipment and utilities but no orders have been placed for such machinery, equipment, automation and utilities. Further, we have not entered into any definitive agreements with any of these vendors, thus there can be no assurance that the same vendors would be engaged to eventually supply the machinery, equipment, automation and utilities at the same costs. Any additional costs due to an increase in the costs of machinery, equipment, automation and utilities, shall be paid by our Company from its internal accruals.

The quantity of the machinery, equipment, automation and utilities to be purchased is based on the estimates of our management. Our Company shall have the flexibility to deploy the machinery, equipment and utilities, according to the business requirements and internal estimates of the same, which are dynamic and may evolve with the passage of time and based on the estimates of our management. The actual mode of deployment has not been finalised as on the date of this Red Herring Prospectus. For further details, see Risk Factor No. 6 *"We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for such capital expenditure machinery."* on page 33 of this RHP.

C) Fire and Safety Equipment

Our Company has assumed purchase of fire and safety equipment worth ₹100.27 lakhs (exclusive of GST at the rate of 18%) based on purchases in the past and inquiries made. A quotation for Fire Safety Material Supply has been received from vendor, City Fire & Safety Services, Navi Mumbai, Maharashtra for ₹102.62 lakhs (exclusive of GST at the rate of 18%) dated November 13, 2021 valid for 60 days.

D) Contingency

We have created a provision for contingency of ₹121.47 Lakhs, which is approximately 5% of total cost of the Proposed Expansion, to cover related packing, ancillary charges, taxes, levies and other duties, as applicable, and any increase in the estimated cost.

3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] Lakhs towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Fresh Issue, in compliance with SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following: strategic initiatives, meeting expenses incurred by our Company and strengthening of our manufacturing and R&D capabilities, brand building and strengthening of marketing activities, and ongoing general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head "General Corporate Purposes" and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] lakhs. The Offer related expenses primarily include fees payable to the Book Running Lead Manager and legal advisor, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees,

printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than (i) the listing fees, which will be solely borne by our Company; all Offer related expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholder on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholder in the Offer for Sale, respectively. Any expenses paid by our Company on behalf of the Selling Shareholder in the first instance will be reimbursed to our Company, by the Selling Shareholder to the extent of its proportion of Offer related expenses, directly from the Public Offer Account.

In the event the Offer is not successfully completed and/or withdrawn and/or abandoned, all such cost and expenses will be shared, between our Company and the Selling Shareholder in proportion to the Equity Shares proposed to be issued and allotted by our Company in the Fresh Issue and the Offered Shares proposed to be sold by the Selling Shareholder in the Offer for Sale respectively . The estimated Offer related expenses are as under:

Expenses*	**Estimated expenses (in Lakhs)**	**As a % of the total estimated expenses**	**As a % of the total Offer size**
Fees payable to BRLM (including underwriting brokerage and selling commission)	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Legal and other Advisors to the Offer	[●]	[●]	[●]
Fees to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the Regulators including stock exchange	[●]	[●]	[●]
Printing and stationary	[●]	[●]	[●]
Brokerage and selling commission and bidding charges for members of the Syndicate, registered brokers, RTAs and CDPs(1)(2)	[●]	[●]	[●]
Commission/ processing fees to SCSBs and Banker to the Offer and fee payable to the Sponsor Bank for bids made by RIBs using UPI(3)(4)	[●]	[●]	[●]
Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	**[●]**	**[●]**	**[●]**

Note: The above shall be finalized upon determination of the Offer Price.
**Upto November 15, 2021, our Company has incurred ₹ 142.30 lakhs towards Offer Expenses out of internal accruals as certified by Statutory Auditors of the Company.*

1. Selling commission payable to the members of the Syndicate, CDPs, RTA and SCSBs (for the bid cum application forms directly procured from investors), on the portion for RIIs and NIIs, would be as follows:

   Portion for RIIs 0.35% ^ (exclusive of GST)
   Portion of NIIs 0.15% ^ (exclusive of GST)

   ^ Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Offer Price)
   The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE. Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges of ₹ 10/- (plus applicable GST) per valid ASBA

Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP. In case the total bidding charges payable exceeds Rs. 2.00 million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed Rs. 2.00 million (Based on valid Bid cum Application Forms).

No additional processing/uploading charges shall be payable by our Company and the Selling Shareholder to the SCSBs on the applications directly procured by them.

2. SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to SCSBs. In case the total processing charges payable exceeds Rs. 1.00 million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed Rs. 1.00 million (Based on valid Bid cum Application Forms).

3. Processing fees for applications made by Retail Individual Investors using the UPI Mechanism would be as follows:

RTAs / CDPs/ Registered Brokers	*₹ 10 per valid Bid cum Application Form (plus applicable taxes)**
Sponsor Bank	*₹ 8 per valid Bid cum Application Form (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.*

**In case the total processing charges payable under this head exceeds Rs. 1.50 million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed Rs. 1.50 million*

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Bridge Financing

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds.

Interim Use of Funds

Pending utilization of the Net Proceeds for the Objects described above, our Company shall temporarily deposit the funds in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, it shall not use the funds from the Net Proceeds pending utilization, for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

Monitoring Utilization of Funds

Our Company has appointed ICICI Bank Limited as the monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Board and the monitoring agency will monitor the utilisation of the Net Proceeds, and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Our Company will disclose the utilisation 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 utilised. 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 Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. 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 Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an 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.

Other Confirmations

Except to the extent of the proceeds received pursuant to the Offer for Sale by the Selling Shareholder, none of our Promoters, Directors, KMPs or Promoter Group will receive any portion of the Offer Proceeds and there are no material existing or anticipated arrangements or transactions in relation to utilization of the Net Proceeds with our Promoters, Directors, KMPs or Promoter Group.

BASIS FOR OFFER PRICE

The Price Band, Floor Price and Offer Price will be determined by our Company and the Selling Shareholder, in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. Investors should also refer to "Our Business", "Risk Factors", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 150, 28, 202 and 275, respectively, of this RHP to have an informed view before making an investment decision.

Qualitative factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- Wide product portfolio addressing the needs of varied customers across the industry.
- Experienced Promoters with strong management team having domain knowledge;
- Extensive Sales and distribution network
- Strategically located manufacturing facilities
- Improving operational efficiency

For further details, see "*Our Business –Competitive Strengths*" on page 150 of this RHP.

Quantitative factors

Some of the information presented below relating to our Company is derived from the Restated Financial Statements.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows

I. Basic and diluted earnings per share ("EPS")

Fiscal	Basic and Diluted EPS (₹)
FY 2020-21	7.74
FY 2019-20*	(3.59)*
FY 2018-19	3.08
Weighted Average	**3.19**
Six-month period ended September 30, 2021 (*not annualized*)	**2.22**

** In order to settle disputed excise tax demand of Rs, 1,405.82 Lakhs for the period January 2012 to July 2015 and aggregate disputed sales tax demand of Rs. 116.41 Lakhs for Assessment Years 2012-13 and 2013-14, our Company paid a sum of Rs. 688.17 Lakhs towards Sabka Vishwas Legacies Dispute Resolutions Scheme and Rs. 55.54 Lakhs towards Mahavat Amnesty Scheme, 2019, respectively and thereby has incurred an aggregate expenditure of Rs. 743.71 Lakhs in FY 2019-20. Thus, there was negative EPS for the said period.*

II. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the higher end of the Price Band (number of times)
Based on basic EPS for Fiscal 2021	[●]	[●]

III. Return on Net Worth ("RoNW")

Derived from the Restated Financial Statements:

Financial Year ended	RoNW
FY 2020-21	79.00%
FY 2019-20	(188.00)%
FY 2018-19	27.29%

Financial Year ended	RoNW
Weighted Average	**(18.38)%**
Six-month period ended September 30, 2021 (*not annualized*)	8.30%

Return on average net worth (%) = Profit/(loss) for the year from operations, divided by Net Worth.

Net Worth means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account, net of pre-offer expenses, derived from the restated statement of assets and liabilities of our Company in the Restated Financial Statements.

IV. Net asset value per Equity Share (face value of ₹ 10 each)

Net Asset Value per Equity Share derived from the Restated Financial Statements:

Particulars*	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2021	9.74
Net Asset Value per Equity Share as of September 30, 2021	26.39
NAV post-Issue	
At the lower end of the price band of ₹ [●]	[●]
At the upper end of the price band of ₹ [●]	[●]
Offer price per share	[●]

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year. Total no of shares taken to calculate the NAV is after taking into consideration Bonus

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

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

Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

V. Comparison with listed industry peer:

Following is the comparison with our peer companies listed in India:

Name of the Company	For the year ended March 31, 2021						
	Face value (₹)	Revenue from operations (₹ in Cr)(1)	Basic EPS (₹)	Diluted EPS (₹)	P/E (based on Diluted (EPS) (2)	Return on average net worth (%) (3)	NAV per Equity Share (₹) (4)
HP Adhesives Limited	10	118.16	7.74	7.74	[●]	79.00	9.74
Peer Group							
Pidilite Industries Limited	10	7,293.00	22.26	22.24	81.28	20.22	114.78

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis sourced from the Annual Reports of the respective company for the year ended March 31, 2021.

Notes:

1. *Revenue from operations has been sourced from the audited standalone financial results of the respective company for the year ended March 31, 2021.*

2. *P/E Ratio has been computed based on the closing market price of equity shares on the BSE on March 31, 2021 divided by the Diluted EPS.*

3. *RoNW is computed as net profit after tax (excluding other comprehensive income) divided by the closing net worth. Net worth has been computed as sum of share capital and reserves and surplus.*

4. *NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.*

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", *Management Discussion and Analysis of Financial Position and Results of Operations*" and "*Financial Information*" on pages 28, 150, 275 and 202, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors
HP Adhesives Limited
Regd Office : 11, Unique House, Chakala Road,
Andheri (East), Mumbai-99

CC:
Unistone Capital Private Limited
A/305, Dynasty Business Park,
Andheri-Kurla Road, Andheri East,
Mumbai – 400 059

Dear Sir(s):

Sub: Proposed initial public offering of equity shares of Rs. 10/- each ("the Issue") of M/s HP Adhesives Limited ("the Company")

We report the enclosed statement in **Annexure 1 & 2** (together "The Annexures"), prepared by M/s HP Adhesives Limited herein referred as "The Company", states the possible direct tax benefits available to the Company and to its shareholders under the Income-tax Act, 1961 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the stated tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Public issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

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

a) the Company or its shareholders will continue to obtain these benefits in future; or
b) the conditions prescribed for availing the benefits have been/would be met with.

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

We also consent to the references to us as "Experts" under section 26 of the Companies Act to the extent of the certification provided hereunder and included in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus of the Company or in any other documents in connection with the Public issue.

We hereby give consent to include this statement of Special tax benefits as per management workings assumption's in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus and in any other material used in connection with the Public issue.

Yours sincerely,
For Priya Choudhary & Associates LLP
Chartered Accountants
(FRN- 011506C/C400307)
Vaibhav Choudhary
(Partner)
(M.No. 407543)
Place: Mumbai (Mah)
Date: 27/11/2021.

ANNEXURE 1 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Under the Income-Tax Act, 1961 (hereinafter referred to as 'the Act'), as amended by the Finance Act 2020, applicable for Financial Year 2020-21 relevant to Assessment Year 2021-22.

1. This Annexure sets out only the possible special tax benefits available to the Company and the shareholders under the current Income-tax Act, 1961 i.e. the Act as amended by the Finance Act, 2020 applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India.
2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. Special tax benefits available to the Company under the Act

3.1. Lower corporate tax rate under Section 115BAA of the Act

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (assessment year) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the following deductions/exemptions:

I. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone;
II. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation);
III. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund);
IV. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research);
V. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project);
VI. Deduction under section 35CCD (Expenditure on skill development)
VII. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M;
VIII. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause I) to VII) above; and
IX. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause I) to VIII) above.
X. In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax "MAT"] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off.
XI. The option needs to be exercised on or before the due date of filing the tax return. option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has opted to apply section 115BAA of the IT Act for the assessment year 2021-2022. *The effective tax rate for the Company was 27.82%, however after availing the benefit under Section 115BAA of the Income tax Act, 1961 the same is reduced to 25.168%. If the Company had decided not to opt under section 115BAA of the Income tax Act, 1961, the profit after tax would have been lower by Rs.26.37 Lakhs for the FY 2020-21 (as computed on the taxable income)*

3.2. Deductions from Gross Total Income - Section 80 JJAA of the Act - Deduction in respect of employment of new employees

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional

employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

Since, the Company has not claimed any deduction under section 80 JJAA of the Income Tax Act, 1961, it has not incurred any expenses towards claiming the said deduction.

4. Special tax benefits available to Shareholders

There are no special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.

5. NOTES:

5.1. This Annexure sets out only the possible tax benefits available to the company and the shareholders under the current Income Tax Act, 1961 i.e the Act as amended by the Finance Act, 2020 applicable for Financial year 2020-21 relevant to the Assessment year 2021-22, presently in force in India.

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

5.3. The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

5.4. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2021-22. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

5.5. The Company has already excised the said option during the AY 2020-21.

5.6 The option once exercised cannot be subsequently withdrawn for the same or any other Financial Year.

For:-
HP Adhesives Limited

Mihir Suresh Shah
Chief Financial Officer

Place: Mumbai
Date: November 27, 2021

ANNEXURE 2 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2020 applicable for the Financial Year 2020-21 (unless otherwise specified), presently in force in India.

1. Special indirect tax benefits available to the Company
   There are no special tax benefits available to the Company under GST law and any other laws mentioned above.
2. Special tax benefits available to Shareholders

The Shareholders of the Company are not entitled to any special tax benefits under indirect tax laws

3. Notes:

3.1 This Annexure sets out only the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2020 applicable for the Financial Year 2020-21 (unless otherwise specified), presently in force in India.

3.2 This Annexure 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, 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 Proposed IPO.

3.3 This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

3.4 These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

3.5 No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For HP Adhesives Limited

Mihir Suresh Shah
Chief Financial Officer

Place: Mumbai
Date: November 27, 2021

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

*The information in this section is derived from the report titled "Assessment of the adhesives and sealants markets" dated November 2021 (the "**CRISIL Research**") prepared and issued by CRISIL Limited, commissioned by us. Unless specified otherwise, all information in this section has been derived from the CRISIL Limited. 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. The data may have been re-classified by us for the purposes of presentation. Accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled "Risk Factors" and "Restated Financial Statements" and related notes beginning on page 28 and 202 respectively of this Red Herring Prospectus.*

OVERVIEW OF THE INDIAN ECONOMY

Review of GDP growth

GDP shrank 7.3% in fiscal 2021

With a population of over ~1.4 billion and GDP of Rs 135 trillion in fiscal 2021, as per the estimates of National Statistical Office (NSO), India is the sixth largest economy in the world. The country has favourable demographics with the largest working population; ~67% of the total population in working age group of 15-64 years as on fiscal 2019 (Source: World Bank data indicators). In fact, India's working population is more than total population of countries such as Russia, Brazil and the United States (US). Going forward, the working population is expected to increase further in the long run, thereby driving consumption and growth.

Fiscal 2021's fourth quarter GDP growth estimate is at 1.6%, having turned positive in the second half of the year. GDP by 7.3% for fiscal 2021 as per the NSO's provisional estimates, a consequence of economic slowdown led by the pandemic. Despite the mild recovery, the Indian economy is still damaged due to the fierce second wave in the first quarter of fiscal 2022 that led to localised lockdowns in most states.

Nuances of GDP growth

At basic prices	FY16	FY17	FY18	FY19	FY20	FY21	At market prices	FY16	FY17	FY18	FY19	FY20	FY21
% change							GDP	8	8.2	7.2	6.8	4.0	-7.3
Agriculture	0.6	6.3	5	2.9	4.3	3.6	Private consumption	7.4	7.3	7.4	8.1	5.5	-9.1
Industry	9.8	6.8	6.2	8.4	-1.8	-5.6	Government consumption	6.8	12.2	15	9.2	7.9	3.3
Manufacturing	12.8	7.9	5.9	6.9	-2.4	-7.2	Fixed investment	5.2	10.1	9.3	10	5.4	-10.8
Mining & quarrying	13.8	13	5.1	1.3	-2.5	-8.5	Exports	-5.6	5	4.7	12.5	3.3	-5.0
Services	9.6	7.5	8.1	7.5	7.3	-8.1	Imports	-5.9	4	17.6	15.4	-0.8	-13.6

Source: Central Statistics Office (CSO), CEIC, CRISIL Research

Slight rebound in the second half

India's GDP rebounded in the second half of fiscal 2021, up 0.5% and 1.6% on-year in the third and fourth quarters, respectively.

Though the economy shrank as a whole in fiscal 2021, agriculture/ allied activities, electricity, gas, water supply and other utility services expanded. Contact-intensive trade, hotels, the transport and communication sector, and broadcasting services were hit the most and de-grew through the fiscal. Construction, a labour-intensive sector, was severely hit in the first half, but rebounded in the second half. Consequently, the pandemic pushed gross value added (GVA), the supply-side measure of the economy, of most sectors back by more than a year. GVA growth printed at -6.2%.

The situation remains grim. Dispersion of Covid-19 cases in the first quarter of fiscal 2022 reminds us of the September 2020 peak. But there is one critical difference: the number of cases appears to have exceeded the peak by over 4x, highlighting the enormous burden and reinstatement of lockdowns and restrictions. The impact is evident in high-frequency indicators, which continued to weaken in May.

The first half of fiscal 2022 will be supported by a base effect, though materially clouded by the pandemic's spread. Global growth and acceleration in vaccinations will support growth. However, continuation of the second wave and possible future waves ascribe a downside risk to CRISIL Research's forecast of 9.5% domestic real GDP growth in fiscal 2022.

Our key projections

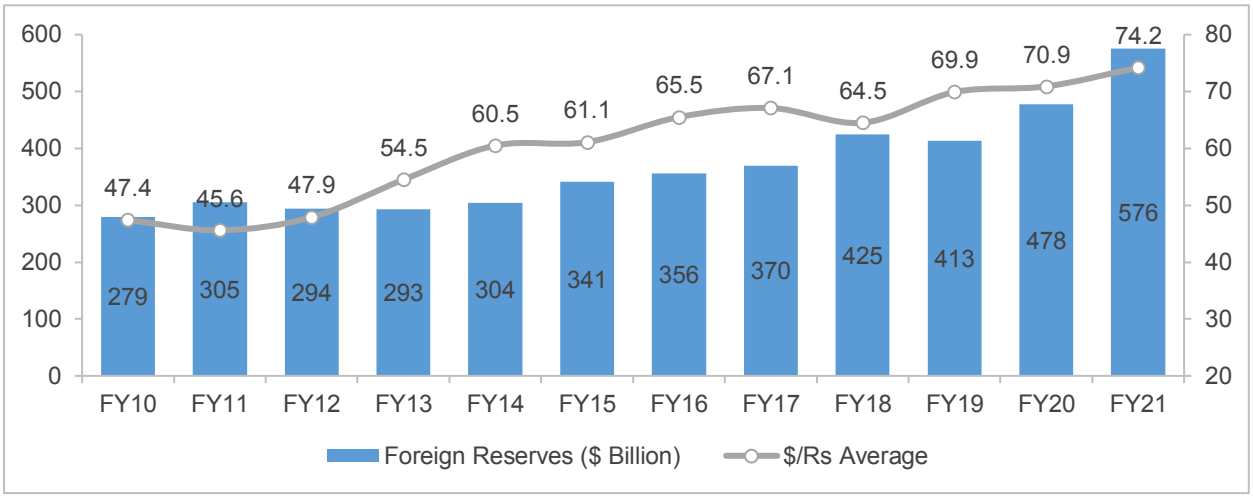
	FY16	FY17	FY18	FY19	FY20	FY21	FY22F
GDP growth (%)	8.0	8.2	7.2	6.8	4.2	-7.3	9.5
CPI (%, average)	4.9	4.5	3.6	3.4	4.8	6.2	5.3
CAD/GDP (%)	-1.1	-0.7	-1.8	-2.1	0.9	1.3	-1.2
Exchange rate (Rs/$ March-end)	67	65.9	65	69.5	74.4	72.8	75.0
10-year G-sec yield (%, March-end)	7.5	6.8	7.6	7.5	6.2	6.2	6.5

F: Forecast
Source: CSO, Reserve Bank of India (RBI) and CRISIL estimates; CPI: Consumer Price Index; CAD: current account deficit; G-sec: government security

Lower rupee volatility with rising forex reserves

India's forex reserves swelled ~106%, at ~6.8% compound annual growth rate (CAGR) in the past twelve years, to $576 billion by fiscal 2021-end from $279 billion. Higher forex reserves have helped the Reserve Bank of India (RBI) rein in currency volatility, since it provides a cushion during uncertain market events. For instance, the rupee remained relatively stable during several periods of uncertainties triggered by events such as Grexit, Brexit and a hike in interest rates by the US Federal Reserve (Fed). However, reserves came under pressure in fiscal 2019 owing to a meltdown in emerging market currencies, led by the Turkish lira, and the apex bank's intervention in the derivative currency markets to arrest the rupee's slide. Again, recently in fiscal 2021, the rupee was under pressure due to the rising load of pandemic cases in India. Further, in April 2021, the exponential spread of the cases led to the domestic currency averaging 74.5/USD, depreciating 2.4% on-month from 72.8/USD in March 2021. Concerns over growth arising from the second wave and subsequent state-announced lockdowns affected the exchange rate.

Rising forex reserves reined in currency volatility



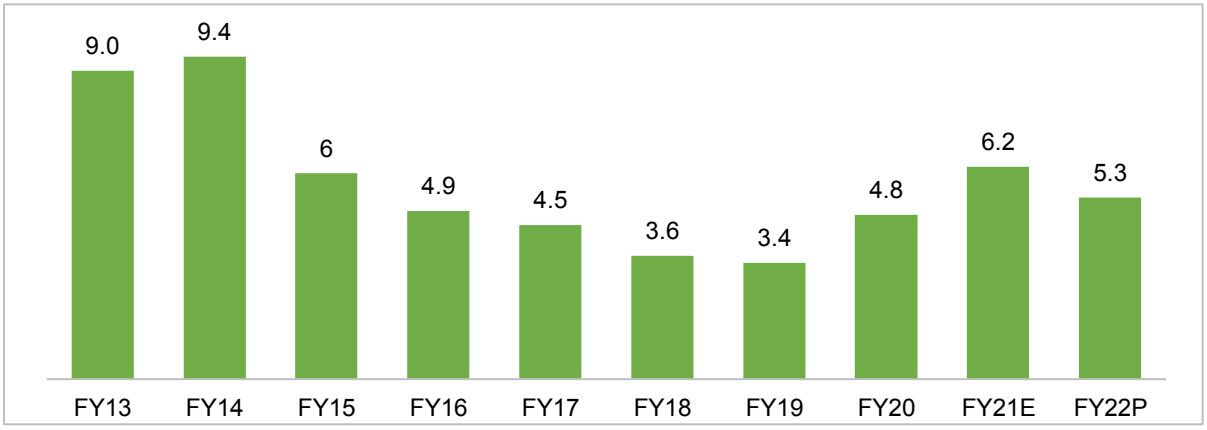
Source: RBI, CRISIL Research

CPI inflation under input-price pressure

Inflation based on Consumer Price Index (CPI) crossed the upper limit of the RBI's target 2-6% range and averaged 6.2% in fiscal 2021. In April 2021, CPI moderated to 4.3% from 5.5% in the previous month, largely on account of a high base (inflation had risen to 7.2% on-year in April 2020). On a seasonally-adjusted basis, CPI inflation rose 0.6% on-month in April, with the rise broad-based across food, fuel and core inflation. Going forward, CRISIL Research expects CPI to moderate to 5.3% this fiscal, compared with 6.2 in fiscal 2021, driven by lower food inflation. Brent crude is expected to average $58-63 per barrel in calendar year 2021, which will not only raise fuel inflation, but also keep core inflation high through elevated costs.

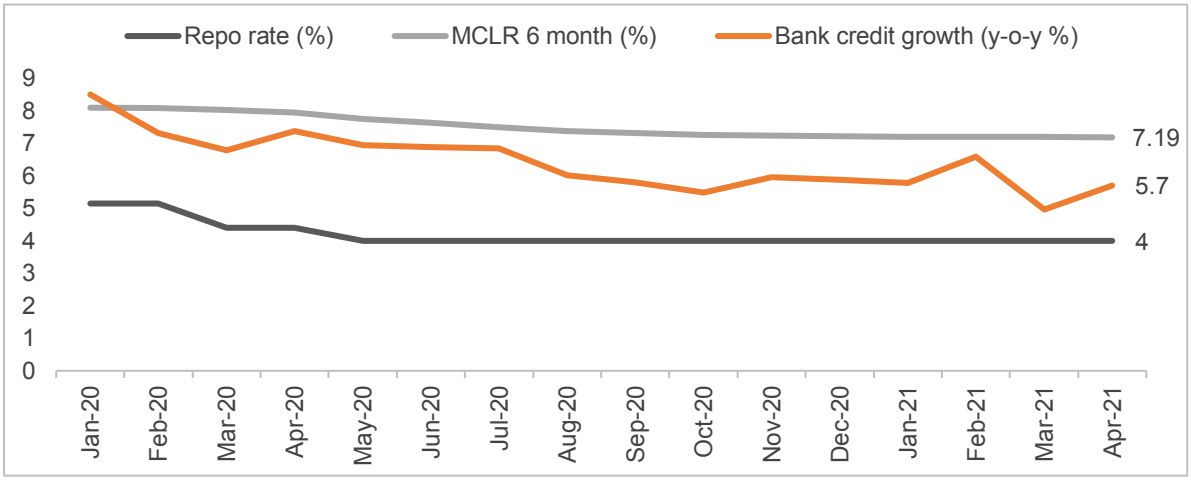
Yield on the 10-year government security (G-sec) averaged 6.07% in April 2021, 13 basis points (bps) lower on-month owing to the RBI's continuous effort to leverage innovative measures to keep bond yields benign in the pandemic-hit economy. In its April 2021 policy review meeting, the central bank announced a new instrument, G-SAP (Government-Securities Acquisition Programme), to help ease supply pressure. CRISIL Research expects the 10-year G-sec yield to rise to 6.5% in March 2022, given that supply pressures could have a bearing on yields once the RBI starts normalising liquidity.

CPI inflation (%, y-o-y)



Source: CSO, CRISIL Research

Interest rates trend down



Source: RBI, CRISIL Research

With several fundamental factors expected to trend in the right direction coupled with measures initiated by the government, India's long-term growth potential is expected to be healthy.

Raising the long-term potential

Reviving private consumption, lowering banks' non-performing assets (NPA), improving the investment climate and many such steps are critical to support domestic economic growth. Few steps taken by the government in this regard are detailed below:

Post pandemic policies to revive the economy: The Indian government has initiated multiple measures to revive the economy from the pandemic stress including SIDBI schemes for special liquidity support for micro, small and medium enterprises (MSMEs); state compensation schemes; and increase in the threshold of default under Section 4 of the Insolvency and Bankruptcy Code (IBC). These are short-term measures, but are likely to support long-term growth as the economy recovers from the pandemic.

Union *Budget 2021-22:* The growth-centric and expansionary Union Budget 2021-22 focuses on improving India's mid-term growth trajectory. Some of the key announcements include:

Recapitalising public sector banks: The RBI proposed to infuse Rs 20,000 crore into state-owned banks in fiscal 2022, given the increase in NPAs and slack credit demand.

Cleaning up bank books: The government announced the formation of an asset management company and an asset reconstruction company to resolve stressed assets of public sector banks to consolidate, manage and dispose stressed assets.

Reforms in manufacturing: Earlier, through the Atmanirbhar Bharat package, the government had provided a boost to the manufacturing sector via the Production Linked Incentive (PLI) scheme. As much as Rs 1.97 lakh crore is expected to be spent over the next five years in sectors such as electronics, automobiles/auto components, pharmaceutical, telecom and textiles to enhance domestic manufacturing capacities. The budget further announced customs duty rationalism, with a focus on MSMEs .

Roadmap for public sector investment: The budget also pushed for infrastructure creation by augmenting funds for the flagship National Infrastructure Pipeline and laying down a roadmap by increasing capital expenditure, monetising assets and developing instruments for infrastructure financing.

Global Innovation Index ranking

	Brazil	Russia	India	China	South Africa
2014	61	49	76	29	53
2015	70	48	81	29	60
2016	69	43	66	25	54
2017	69	45	60	22	57
2018	64	43	63	10	65
2019	66	46	52	14	63
2020	62	47	48	14	60
2021	57	45	46	12	61

Source: Global Innovation Index by Cornell, INSEAD, WIPO, CRISIL Research

- ***Monetary policy:*** The RBI's Monetary Policy Committee (MPC) has decided to take an accommodative stance for 'as long as necessary' to mitigate the impact of the pandemic, while ensuring inflation remains within the target range going forward. In its June 4 meeting, the MPC retained the rates, with the repo rate at 4%, reverse repo rate at 3.35% and marginal standing facility at 4.25%. The RBI also announced more bond purchases under GSAP, one tranche for the current quarter, and higher purchases for the second quarter of fiscal 2022. In addition, the RBI allowed extension of the moratorium on term loan equated monthly instalments (EMIs) by a total of six months, till August 31, 2020

- ***Passage of key bills:*** The government has passed several key bills over the past few fiscals – the Companies (amendment) Bill, 2020, which seeks to lower the penalties and peruse the need to decriminalise some offences by making recommendations to the central government; the Banking Regulation (amendment) Bill, 2020, which strives to amend the act with regards to cooperative banks; and the Insolvency and Bankruptcy Code (Second Amendment) Bill, 2019, which aims at streamlining issues of troubled companies, protect corporate debtors and prevent unnecessary revocation of insolvency proceedings under the IBC

- ***Boost infrastructure:*** After a sharp slowdown in the Indian economy in fiscal 2021 due to the pandemic, infrastructure investments are expected to grow 17-20% in fiscal 2022, driven by government push to roads, railways and urban transport

- ***Manufacturing thrust:*** The government has made some progress in improving labour market efficiency through programmes such as Skilling India and Make in India. The sector has shown strong resilience despite the recent lockdowns and remained above the 50 expansion mark. However, the reform process has been gradual in the manufacturing sector

- ***Consumption growth:*** Given favourable demographics and rising disposable income, a burgeoning middle class population is expected to help recover and eventually boost consumption growth in India. However, keeping in mind the pandemic's impact, inflation and interest rates need to be in check to support consumption

- ***Development of the financial markets:*** To develop the financial markets, the government has instituted steps such as Jan Dhan Yojana, a better monetary policy framework, and passage of the Insolvency and Bankruptcy Code (Second Amendment) Bill, 2019. Further, the Securities and Exchange Board of India (SEBI) approved the framework for business trusts in India -- real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) framework, both of which are new asset classes for investors. While REIT allows monetisation of real estate assets, InvIT helps promoters monetise their completed infrastructure projects (having concessionaire/development agreement). In the budget, the government approved 100% foreign direct investment (FDI) for insurance intermediaries and increased FDI limit in the sector to 74% from 49%. This step, along with

the emerging digital gold investment options and the platform for infra-debt financing, will help deepen the domestic financial markets

- ***Digitalisation:*** The government has been quick to board the technology bandwagon with its Digital India programme, which aims to speed up financial inclusion and deliver government services electronically by increasing internet connectivity and improving online infrastructure. Digitisation and digitalisation will create an efficiency-led growth spurt over the medium term. In its 2021-22 budget, the government announced certain initiatives in the digital space, including building a world-class fintech hub at Gandhinagar's GIFT City, conducting first-ever digital census, and allocation of Rs 1.15 lakh crore for railway digitization.

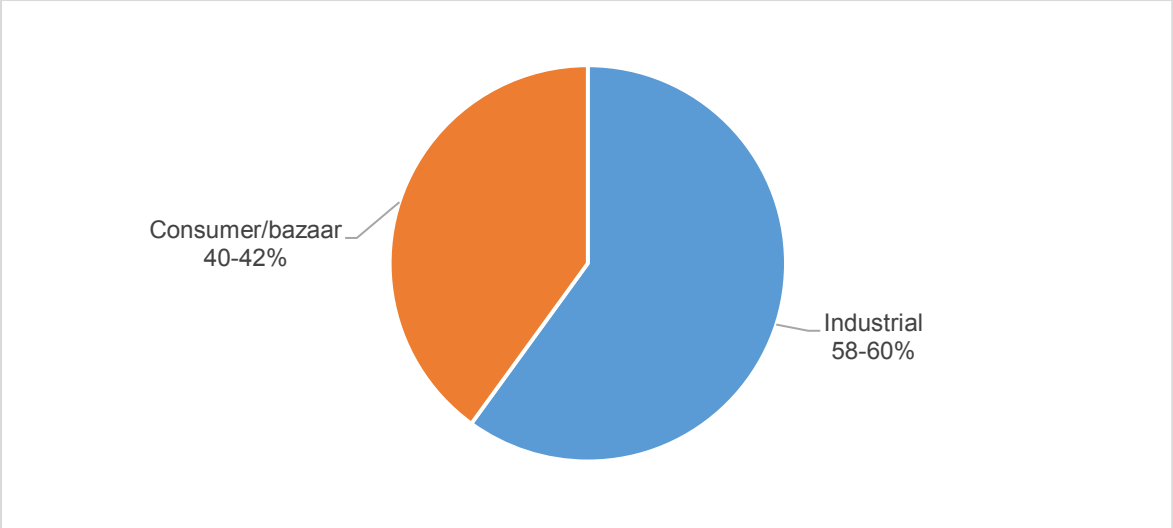
Amid these reforms, India's economic growth is currently recovering and is expected to pick up, after having dropped 7.3% in fiscal 2021, as four drivers – people learning to live with the new normal, flattening of the Covid-19 affliction curve, rollout of vaccinations, and investment-focused government spending – converge.

OVERVIEW OF INDIA'S ADHESIVES AND SEALANTS MARKET

Domestic market review

The Rs 134-136 billion (fiscal 2021) domestic adhesives and sealants market is broadly categorised into 1) industrial and 2) consumer and bazaar adhesives. The industrial segment caters to B2B industries such as packaging, footwear, paints, automotive, etc. The retail segment caters to industries such as furniture/woodwork, building construction, arts and craft, electrical fittings, etc.

Market-wise split of adhesives (fiscal 2021)



Source: CRISIL Research

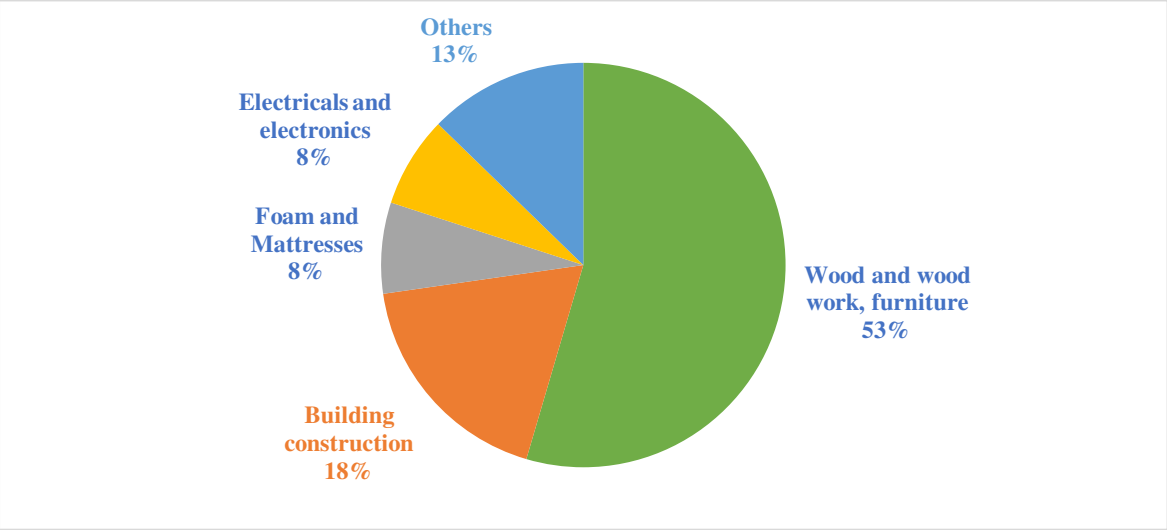
The adhesives and sealants market clocked 8-9% CAGR between fiscals 2015 and 2020, driven by growth in major end-user industries such as packaging, construction, electronics and woodworking. Construction investments logged 4-5% CAGR during the period, driven by an increase in spending on roads, railways and urban infrastructure. Moreover, the industry reflected healthy growth (7-8% CAGR) in the packaging segment. However, the adhesives market stagnated in fiscal 2021 because of the pandemic, de-growing at 1-2% CAGR to Rs 134-136 billion. Fortunately, the decline was restricted thanks to growth in food packaging and e-commerce industries, which catered to people forced to stay at home and ordered online. Moreover, redecorating spend increased, leading to higher usage of consumer and bazaar adhesives in the furniture market.

Our report focusses on the consumer adhesives market.

The Rs 53-55 billion (fiscal 2021) consumer adhesives industry clocked 8-10% CAGR between fiscals 2015 and 2020, driven by the rapidly growing furniture industry with booming real estate and rising income levels leading to an increased demand for interiors. Increased investment in building

construction investment also contributed to its growth. The woodwork segment is the largest end-user for consumer adhesives, constituting ~55% of fiscal 2021 revenue. The market de-grew 1-2% in fiscal 2021, due to the pandemic-led reduced construction activity. However, the decline was restricted due to increased demand from the furniture segment due to work from home, which led to higher demand for home furniture. However, the economy recovered in the second half of fiscal 2021, leading to a rise in demand from end-user industries. The consumer adhesives market is expected to recover in fiscal 2022, following an expected GDP growth of 9.5% on-year and consequent recovery in infrastructure and construction activity.

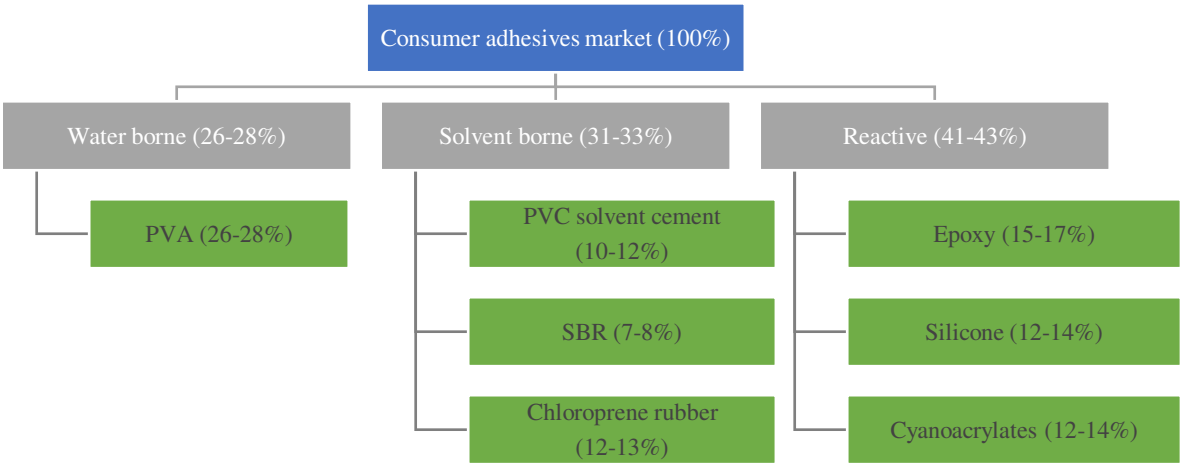
Industry-wise split of consumer adhesives (fiscal 2021)



Others include Stationary/ arts and crafts, non-structural adhesion, and footwear
Source: CRISIL Research

The industry can be further classified based on technology into water-borne, solvent-borne, reactive and hot melt adhesives. PVA (poly vinyl acetate), a water-borne adhesive, dominates the market (26-28% of revenue) due to growing application in woodwork and furniture industry.

Product-wise split of consumer adhesives (fiscal 2021)



Source: CRISIL Research

Among solvent-borne adhesives, PVC solvent cement is used for joining PVC pipes in the irrigation and building construction segments. SBR (styrene butadiene rubber) is used as a sprayable adhesive for foam and mattress applications. Chloroprene rubber has a wide range of applications from wood working to leather to foam applications, forming 12-14% of the market.

Reactive adhesives are dominated by epoxy adhesives (15-17%). These also find application in the furniture, woodworking and tiling industries, and are used for their water and heat resistance along with durability. These are also used in the electrical, electronics and automotive space. Cyanoacrylates (FeviKwik) are used for bonding plastics, metal and rubber components. These are used in moulded furniture, signboards and a wide range of industrial applications. Silicone sealants (12-14% of the consumer adhesives market) are liquid adhesives. These create strong adhesive bonds resistant to chemicals, moisture and weathering, and are widely used for basic household repairs and areas around the sink or any piping due to their water-resistant nature.

Types of consumer and bazaar adhesives and their key applications

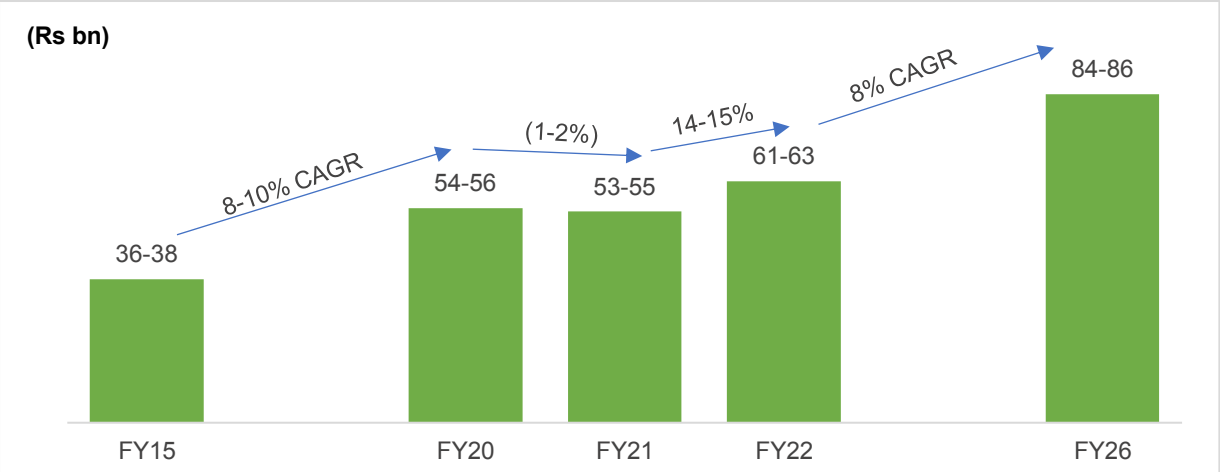
Water-borne
PVA adhesives
Woodworking, furniture, handicraft, paper labelling and wallpaper installations
Solvent-borne
PVC solvent cement/ adhesive
PVC pipe sealing for drinking water and sewer systems, drainage and ventilation systems, and irrigation
SBR
Foam and mattress
Chloroprene rubber
Leather, foam and woodworking
Reactive adhesives
Epoxy adhesives
Furniture, woodworking , wood, metal, ceramic, marble, glass and rubber
Cyanoacrylates
Plastics, moulded furniture and rubber
Silicone
Drought proofing, doors and windows frames, wall crack fixing, air-conditioner systems sealing and sanitary sealing

Source: CRISIL Research

Consumer adhesives market to clock 9-10% CAGR between fiscals 2021 to 2026

India's consumer adhesives industry is expected to clock 9-10% CAGR between fiscals 2021 and 2026 driven by economic recovery and growth in end-user industries. In particular, demand is expected to recover in fiscal 2022, growing at 14-15% on-year, on a low base of fiscal 2021, as the Indian economy recovers from the impact of the pandemic. Overall, growth of the consumer adhesives industry is expected to moderate and log a CAGR of ~8% between fiscals 2022 and 2026.

Consumer adhesives market on growth path



Source: CRISIL Research

PVA dominates the consumer adhesives market

PVA continues to dominate in terms of its application in the furniture market. However, chloroprene rubber has also gained significance in wood and joinery applications due to lower prices and faster drying properties. Thus, we expect rapid growth in demand for chloroprene rubber close at the heels of healthy growth in the furniture market. However, PVA will continue to dominate the market at least till fiscal 2026, due to stronger bonding strength. Growing awareness of environmental friendliness of water-based adhesives has led to the sustenance of PVA demand.

The silicone sealants segment is also expected to witness healthy growth driven by rising construction investments and their wide application in sanitary ware and household repairs owing to superior properties.
Healthy growth in the pipes and fittings market due to rising construction activity, coupled with rapid increase in irrigation spends and replacement of metal pipes will drive demand for PVC solvent cements.

Product-wise demand growth in consumer adhesives

Segment	CAGR (FY21-26)	Key demand drivers
PVA adhesives	7-9%	Rising wooden furniture market
PVC solvent cement/adhesive	9-11%	Growth in construction, irrigation spending, replacement of metal pipes with PVC pipes
SBR	11-13%	Growth in foams and mattress demand, due to rising demand for furniture
Chloroprene rubber	8-10%	Rising preference in wood working and foam application
Epoxy adhesives	8-10%	Rising demand due to strong adhesion and a wide range of applications in various surfaces
Cyanoacrylates	7-9%	A wide range of applications in wood, plastic, metal, fabric and ceramics
Silicone	10-12%	Rising construction usage and increasing applications in sanitary fittings repairs
Overall adhesives	8-10%	

Source: CRISIL Research

Key demand drivers

Rising demand for wooden furniture to drive demand

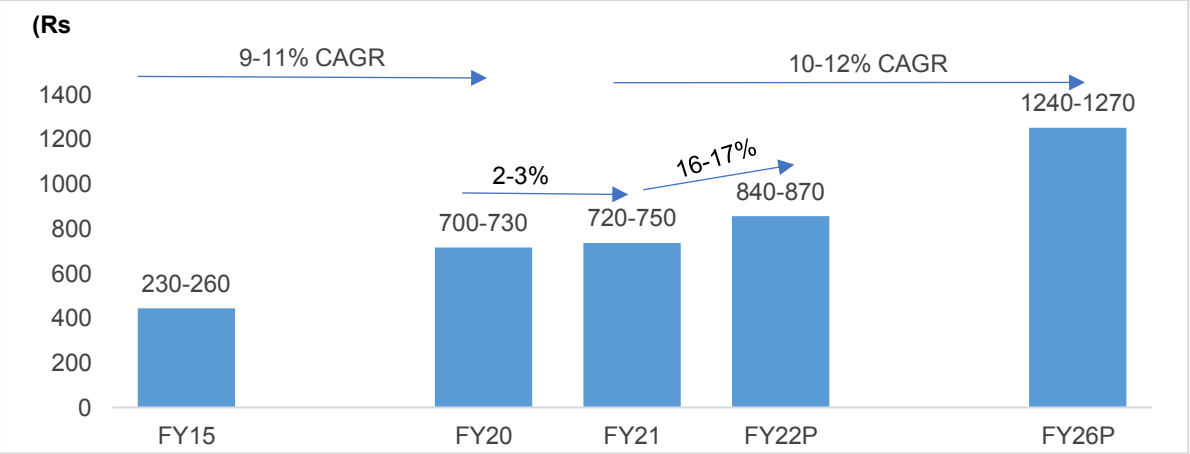
India's furniture market makes use of multiple types of adhesives, including PVA, SBR, chloroprene rubber, cyanoacrylates and epoxy. The industry is expected to be driven by several factors, which are contingent to parameters, such as growing urbanisation, increasing inclination towards more modular and compact furniture, and rising demand for durable and hybrid furniture. All these factors are expected to positively impact the growth of the furniture and thereby the consumer adhesives markets in the near term.
Increased customer brand awareness and modern style requirements, coupled with rising player collaboration through online channels, are expected to support demand. The wooden furniture is no longer restricted to demand for *dewans*, backless sofas or chairs. Consumers today are looking for the finest range of latest international designs and trends for not just the living room, but also for kids' rooms, study rooms, home offices, outdoor areas and others. Thus, the furniture industry is now witnessing an expansion in its demand not just for utility purposes, but more as a style quotient for homes, offices and retail spaces.

Despite furniture demand coming to a standstill in the first quarter of fiscal 2021, due to the nation-wide lockdown, the industry has already bounced back and reached pre-pandemic demand levels by January 2021, driven by work-from-home and online classes of children. The pandemic made it necessary for everyone to stay inside their homes to prevent the spread of the virus, which led to a boom in household furniture demand. Several corporates helped their employees in setting up work-from-home stations by providing allowances. Similarly, online classes pushed parents to set up proper study tables for their children. This also led to an increase in online sales of furniture as people chose to stay home due to the fear of the virus. The trend is expected to continue as companies consider pivoting towards hybrid work models and increased acceptance of work-from-home. Overall, the industry grew, albeit at a slower pace of 2-3% on-year in fiscal 2021.

Furthermore, CRISIL Research expects demand for wooden furniture to be driven by the anticipated growth in affordable housing, commercial construction, rising income levels, desire for better standard of living, favourable working-age population to influence spending, nuclearisation of families, growing urban population, and better credit availability and increasing penetration of plastic money. Demand is expected to be further propelled by the initiatives of PMAY (Pradhan Mantri Awas Yojana) for increasing rural households.

CRISIL Research estimates demand for wooden furniture to expand at a CAGR of 10-12% between fiscals 2021 and 2026.

Wood furniture market outlook (Rs billion)



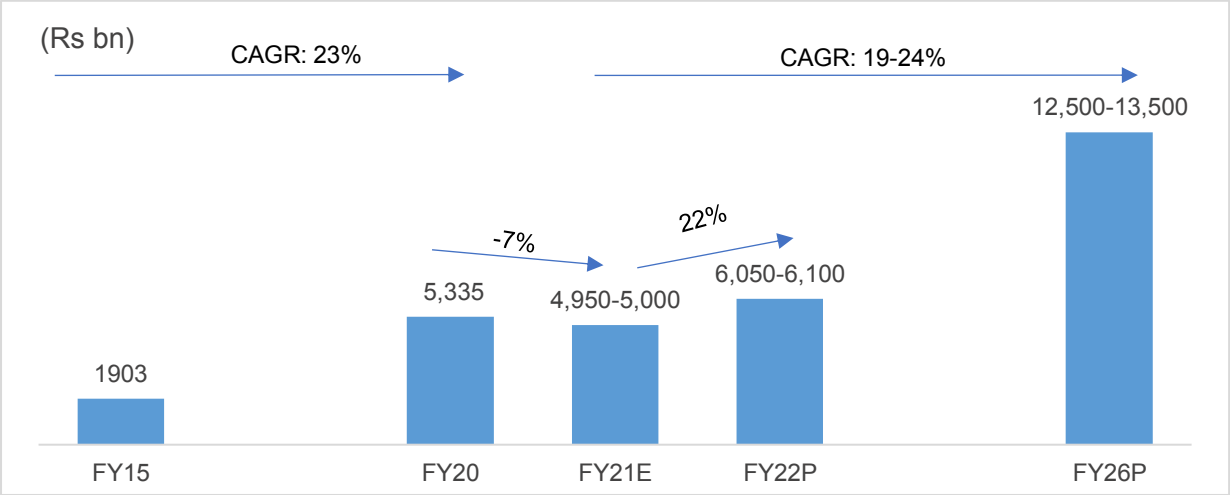
P: Projected; Source: CRISIL Research

Demand for electronics to witness a sharp growth of 19-24% CAGR

The electronics industry uses adhesives for various applications, including conformal coatings, protecting terminal electrodes, bonding of surface mount devices, among many others.

The electronics industry is one of the fastest-growing industries in India and, as per the Ministry of Electronics and IT, the market size of the industry is Rs 4,950-5,000 billion as of fiscal 2021. The industry is expected to grow at a strong pace of 19-24% over the medium term.

Outlook on electronics industry in India



Source: Ministry of Electronics & IT, CRISIL Research

Infrastructure and increasing spending on building construction to drive construction activity

The construction industry makes use of adhesives and sealants across various applications, such as flooring and carpets, tile insulation, garage doors, resilient flooring, wall covering, pre-finish panels, perimeters of doors, drywall, lamination, and fixed window frames, among others. These applications primarily make use of three types of adhesives and sealants namely, epoxy, silicone and cyanoacrylates.

The industry is expected to grow at a medium pace, due to the government's push for the sector. The government has introduced multiple policies to boost the National Infrastructure Pipeline (NIP) and the Affordable Rental Housing Complex (ARHC) scheme, along with Housing for All and other investments in the industrial segment in a renewed push to the sector under the Atmanirbhar Bharat programme. CRISIL Research expects the investments in the construction sector to grow at a CAGR of 4-6% over the medium term.

Moreover, increasing demand from the real-estate sector and rising irrigation spending are expected to drive the demand for PVC-solvent cement.

Increasing demand for non-hazardous, green and sustainable adhesives

Demand for bio-based / green adhesives, such as starch and lignin, is increasing rapidly, as consumers are starting to realise the adverse effects of petroleum-based products. Consequently, manufacturers are spending huge amounts of capital for research and development of such adhesives.

Currently, hybrid adhesives are being increasingly used by end-user industries of adhesives, as they are considered to be green and sustainable alternatives for solvent-based adhesives.

Peer comparison

The consumer adhesives market is primarily dominated by Pidilite Industries, commanding 60-65% of the market. However, each product category has several organised as well as unorganised players, with organised players commanding over 75% of the market. The following table shows the various players present in different product segments:

Product portfolios of some of the key players

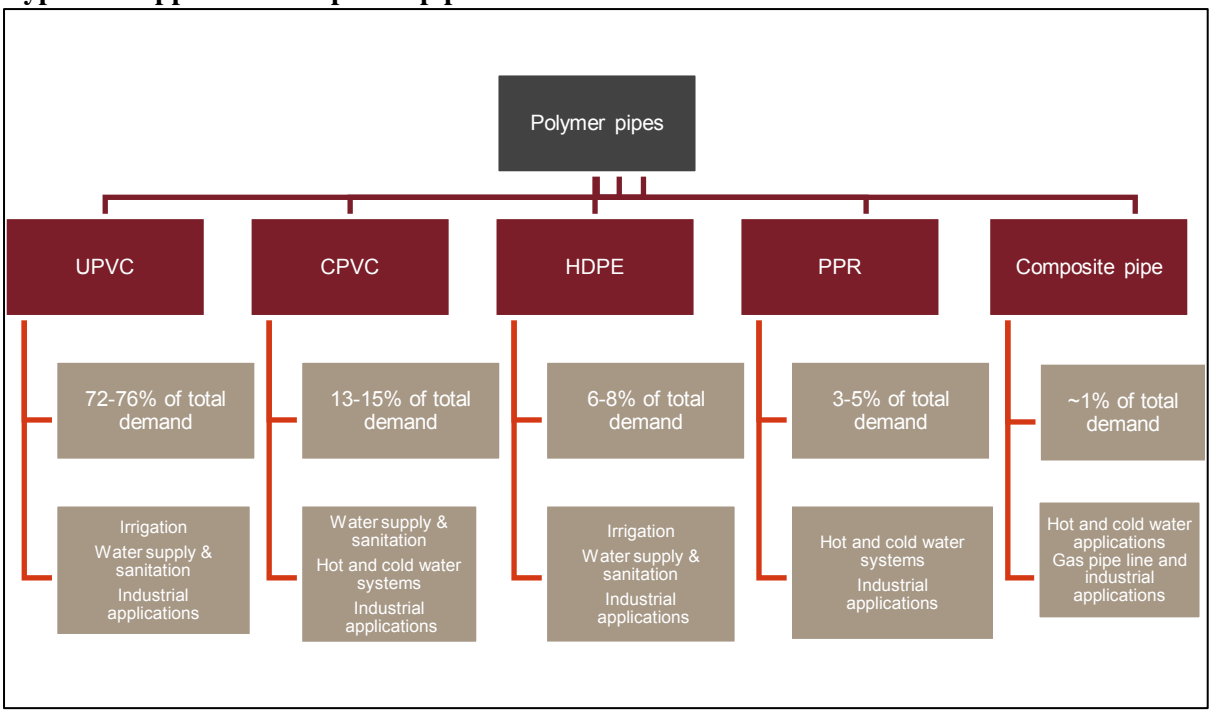
Pidilite Industries and Astral Adhesives are present across all consumer adhesive categories, including PVA, PVC solvent cement, SBR, chloroprene rubber, epoxy, cyanoacrylates and silicone, while the rest of the players have presence across 2-3 categories only.

AN OVERVIEW OF INDIA'S PVC (POLYVINYL CHLORIDE) ADHESIVES MARKET

PVC adhesives, also known as PVC solvent cement, are adhesives, which are used for joining PVC adhesives. The process is similar to welding, since it melts two pieces of PVC into a single piece. A PVC adhesive consists of PVC resin, a solvent, and methyl ethyl ketone – which breaks the top layer of the pipes and fittings to be joined together. The single largest application of PVC adhesives is in the PVC pipes industry, where it is widely used to join pipes.

Plastic pipes are made of different types of polymers. The four key types are unplasticised polyvinyl chloride (u-PVC), which represents 72-76% of industry demand by volume, chlorinated polyvinyl chloride (CPVC) – 13-15%, HDPE – 6-8% and polypropylene (PPR) – 4-5%. Composite pipes, which have a mix of metal and plastic layers, are also used for similar applications.

Types and applications of plastic pipes in fiscal 2021



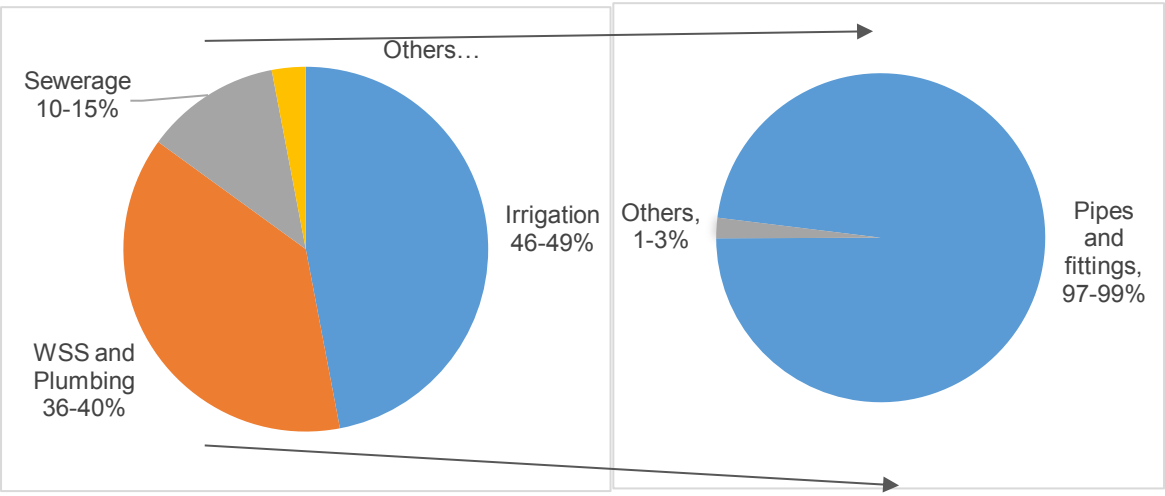
PVC adhesives are used for joining u-PVC and CPVC pipes. There are three broad product categories in the PVC adhesives market –PVC, u-PVC and CPVC, based on the category of pipe they are used for. Similar to PVC pipes, the PVC adhesives business is a largely B2C business, where the key customers are appliers, including contractors/plumbers, which are in charge of installing and fixing the pipes and fittings at a particular site.

Domestic market review

The size of the Indian PVC adhesives market was Rs 6.81 billion as of fiscal 2020 while in fiscal 2021, the market de-grew by ~9% to Rs 6.2 billion on account of demand slump as a result of Covid-19 pandemic. The market has grown at around 10% CAGR, in line with the rapid growth in the plastic pipes segment, which grew at a healthy CAGR of 10-11% over fiscals 2015 to 2020, reaching about Rs 330-340 billion. Industry growth was driven by rising demand from the construction and irrigation sectors. In the construction space, increasing investments in water supply and sanitation (WSS) projects, substitution of metal pipes with polymer pipes, and replacement demand propelled adhesive offtake. Initiatives such as Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Accelerated Irrigation Benefits Programme (AIBP), and Command Area Development and Water Management (CADWM) Programme fuelled the use of PVC pipes, and hence PVC adhesives in the irrigation sector.

Additionally, the industry received a boost from the government's Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme, which is aimed at providing basic services such as WSS and ensuring every household has access to a tap with assured water supply and a sewerage connection. As a result, demand for soil, waste and rain, and drainage pipes was robust. Among several variants of plastic pipes available in the market, demand for u-PVC and CPVC, in particular, has been rising, due to affordability, high quality and durability.

PVC Adhesives market by end-use in fiscal 2021

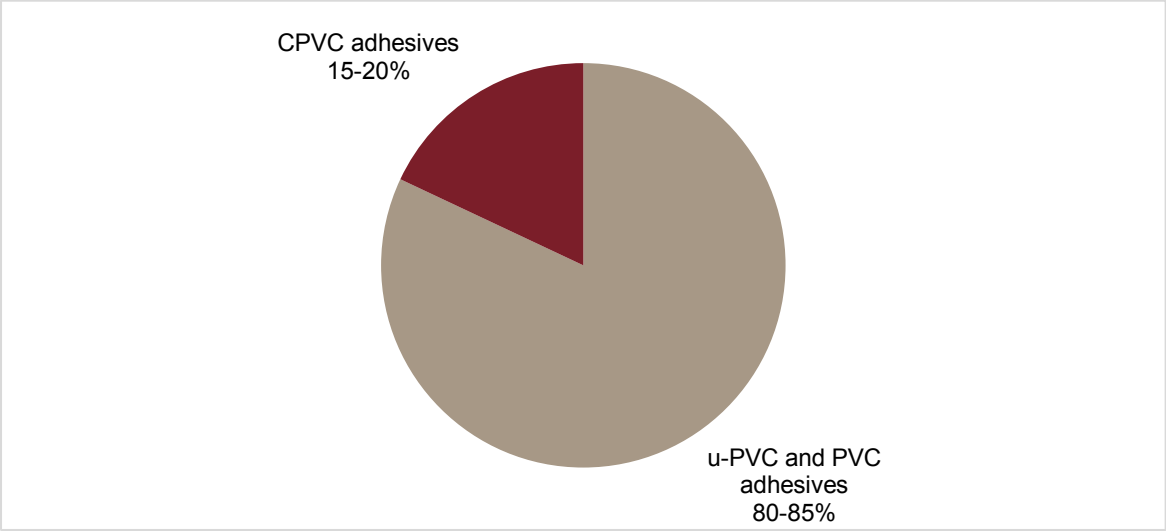


Others include PVC boards, sheets etc.
Source: CRISIL Research

In fiscal 2021, the PVC adhesives demand declined 9-11%, due to lower offtake from the plastic pipes industry, amid the economic slowdown driven by the Covid-19 pandemic. Construction spending across infrastructure sub-sectors shrank sharply in fiscal 2021, due to the pandemic, as supply chains got disrupted and labourers employed at construction sites migrated back to their hometowns. This has indeed affected demand for PVC pipes from the urban infrastructure space. However, urban housing and infra segment aided recovery of demand in the third and fourth quarters of the fiscal. Infrastructure and urban housing started seeing green shoots of recovery from October 2020 and saw a smart recovery in the seasonally strong construction period of December to March 2021, because of improving government spending coupled with a recovery in real estate, leading to robust demand growth.

Among product types, u-PVC and PVC adhesives have the largest share, accounting for more than 80% of the market, while the balance demand comes from the CPVC adhesives segment.

PVC Adhesives market by product type in fiscal 2021



Source: CRISIL Research

Key growth drivers

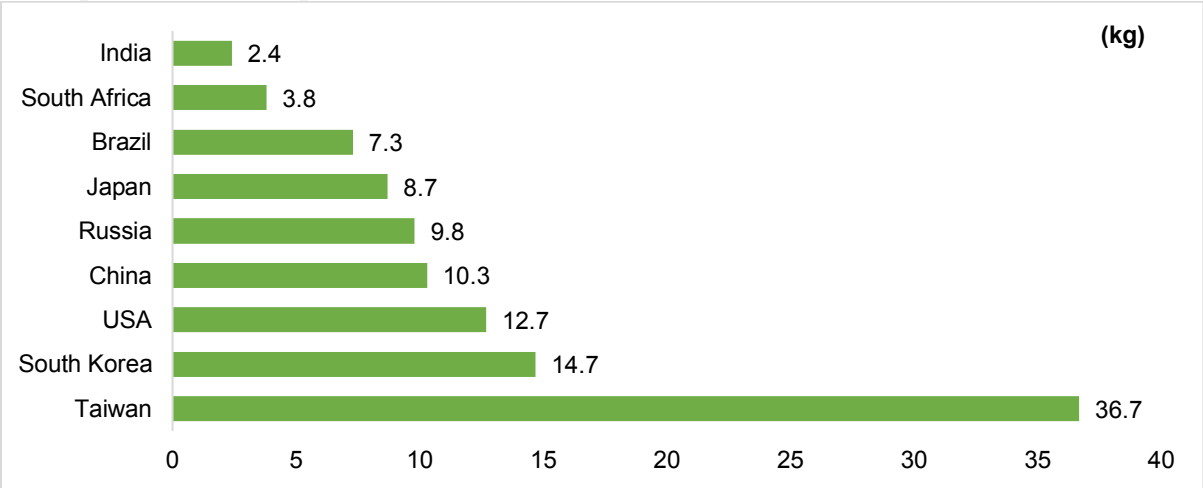
Plastic pipes, especially CPVC, has been gaining prominence in the past decade

In the past decade, one of the most important changes in the pipes industry was the large-scale shift from metals to polymer-based pipes in most applications. This was especially true in the case of plumbing and piping applications in the construction industry. This evolution has allowed for greater research and development in specialised products by organised players for specific applications with the development of polymers, such as CPVC for hot and coldwater plumbing, firefighting and transportation of industrial fluids. The CPVC segment, which poses technological barrier to entry, has also given branded players an opportunity to increase their market share. Until then, u-PVC dominated the plastic pipes industry with several unorganised players posing stiff competition to branded players.

Low per-capita consumption of PVC

India has a very low per-capita PVC consumption of about 2.4 kg, compared with the global average of 6 kg. We expect the per-capita consumption to rise and move closer to the global average, driving PVC consumption.

Per capita PVC consumption across various countries



Source: CRISIL Research

Investments in end-user segments to drive demand for PVC pipes and adhesives

Plastic pipes are primarily used in irrigation and WSS projects. Major demand sources are public-sector projects undertaken by the Central, state and municipal bodies. Key growth drivers of PVC are discussed below.

Among factors that will boost PVC demand, the topmost is increased spending by state governments and municipal corporations to improve accessibility of water for a burgeoning population. Second comes the heightened government thrust on irrigation, urban infrastructure and real estate. The Central government has launched various schemes to support these three sectors. They include:

- PMKSY in the irrigation sector
- Jawaharlal Nehru National Urban Renewal Mission (JNNURM), AMRUT, Swachh Bharat Mission and Smart Cities Mission in the urban infrastructure sector
- Housing for All scheme in the real estate sector

Apart from these, an increase in private sector investments, primarily in the real estate sector, will also boost demand. CRISIL Research expects demand for plumbing pipes and fittings to grow, with construction picking up pace in metros and tier-II and -III cities.

Irrigation

The irrigation sector is the key end-user segment for plastic pipes, accounting for 46-49% of demand. Of India's 160 million hectare (ha) of cultivated land, a little less than 50% is irrigated. Investment in the sector is expected to increase in the next five years, due to the push from state governments to increase irrigation penetration. However, in fiscal 2021, CRISIL Research expects investments to decline 8-12%, as states divert funds towards healthcare and other social sectors due to the pandemic. In fiscal 2022, the investment is expected to rise 10-15%, led by states such as Maharashtra, Karnataka and Madhya Pradesh, whose need to increase irrigation coverage is urgent. Construction spending in irrigation will rise to Rs 3.7 lakh crore over fiscals 2021-2025 from Rs 3.1 lakh crore during fiscals 2016 to 2020.
Urban infrastructure

Investments in urban infrastructure declined 8-12% in fiscal 2021, as the pandemic has resulted in lower spending due to a loss of man days amid the lockdown, diversion of state funds to meet social and healthcare spending and labour migration. In fiscal 2022, the investment is expected to rise 15-20%, as the deferred projects of fiscal 2021 kick off and the government focusses on schemes, such as Swachh Bharat Mission, Jal Jeevan Mission, AMRUT and metro projects, a bulk of which were under implementation and have achieved financial closure. Over fiscals 2021 to 2025, CRISIL Research expects urban infrastructure to see Rs 2.9 lakh crore of spending, a 1.35x increase from the previous five fiscals. Half of the amount is expected to be in WSS projects, driven primarily by state governments and through Central government-sponsored programmes, such as Jal Jeevan mission, AMRUT and Swachh Bharat Mission.

After WSS, metro construction will attract the most investment in urban infrastructure development. CRISIL Research estimates that spending in metro rail will increase 1.3 times to Rs 1 lakh crore over the next five years. The bulk of these projects are under construction and have achieved financial closure. The lockdown and migration of labour drove investment lower in fiscal 2021. However, the projects that were deferred this fiscal are expected to restart in the next fiscal. A number of projects announced and being implemented by various state governments will drive the medium-term growth of the sector. A new metro rail policy was announced in the Union Budget for fiscal 2018, which is expected to attract the private sector into the segment.

Progress of key metro projects as of fiscal 2021

Metro projects	Status
Mumbai	Work for 3 lines in advanced stages, 5 more lines under imlpementation, total 14 lines approved
Pune	First 2 phases on track, 3rd phase to be awarded on PPP
Delhi	Phase 3 almost complete, phase 4 – 3 out of 6 corridors approval received
Chennai	Phase 1 ext. line to begin soon, phase 2 yet under planning
Hyderabad	Phase 1 completed. Phase 2 in proposal state
Bangalore	Phase 1 completed, phase 2 under construction

Apart from the above-mentioned cities, metro lines are current under construction in Agra, Nagpur, Ahmedabad, Kanpur, Navi Mumbai, and Patna.
Source: CRISIL Research

In fiscal 2017, the government launched the Smart Cities Mission to transform 100 cities in the country. The project had an approved budget of Rs 480 billion over five years. The scheme focuses on providing adequate and clean water supply, sanitation, solid waste management, efficient transportation, affordable housing for the poor, power supply, robust IT connectivity, e-governance, safety and security of citizens, health, and education. The selected cities were given a Central government assistance of Rs 2 billion in the first year and promised Rs 1 billion in each of the next four years, with a matching contribution from the state governments.

Real estate sector

Real estate is a key end-user sector for PVC pipes in India. Over the past few years, demand in the real estate sector has been sluggish. Developers had to delay giving possession of projects due to various reasons, including approval delays and financial issues. The government passed the Real Estate (Regulation and Development) Act in 2016 that put in place a regulatory system for the sector to boost the confidence of customers. Moreover, The Pradhan Mantri Awas Yojana-Urban (PMAY-U), a scheme coming under the Housing for All by 2022 programme, witnessed healthy construction over past three fiscals, particularly in fiscals 2019 and 2020.

Substitution and replacement demand

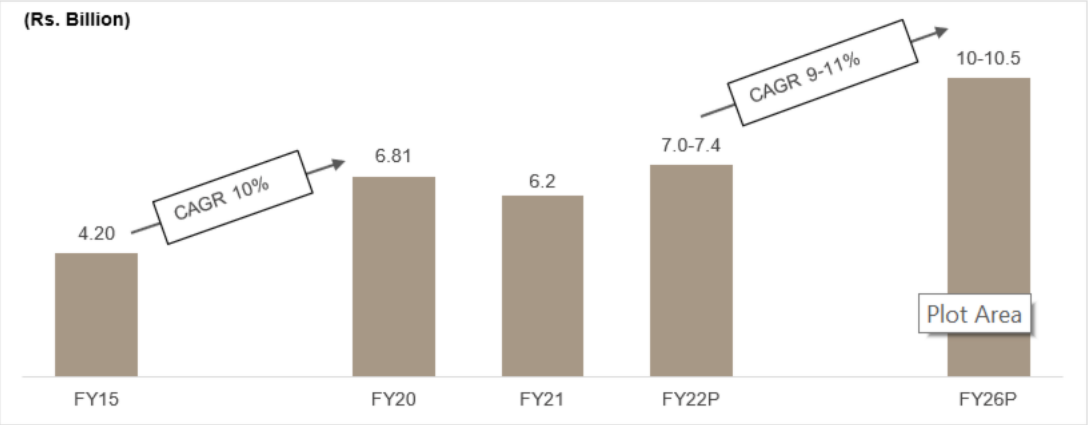
Plastic pipes have several advantages over metal pipes. For instance, raw materials used in manufacturing plastic pipes are derivatives of crude oil. Hence, prices of plastic pipes are correlated to crude oil prices. The fall in crude oil prices has comparatively lowered raw material prices, and, thus, plastic-pipe prices over fiscals 2015 to 2021. Superior real estate properties and low prices have accelerated the substitution of metal pipes by plastic pipes. The increase in the availability of raw materials (PVC, PE and PPR), following the commissioning of new petrochemical facilities in India will further support the plastic-pipes industry. Another factor driving long-term demand is the replacement of older pipes with plastic pipes.

Within the plastic pipes industry, CRISIL Research expects demand for PVC adhesives to be driven by increasing application of CPVC pipes.

Demand for PVC adhesives to be driven by rapid growth in plastic pipes industry

CRISIL Research expects PVC adhesives market to grow at a 9-11% CAGR between fiscals 2021 and 2026, due to increasing demand from the plastic pipes market. The market is expected to recover in fiscal 2022, growing at 16-17% on-year, due to an economic recovery after Covid-19 and the consequent rise in construction activity, which will lead to demand increase for pipes and fittings.

Outlook on PVC adhesives market in India



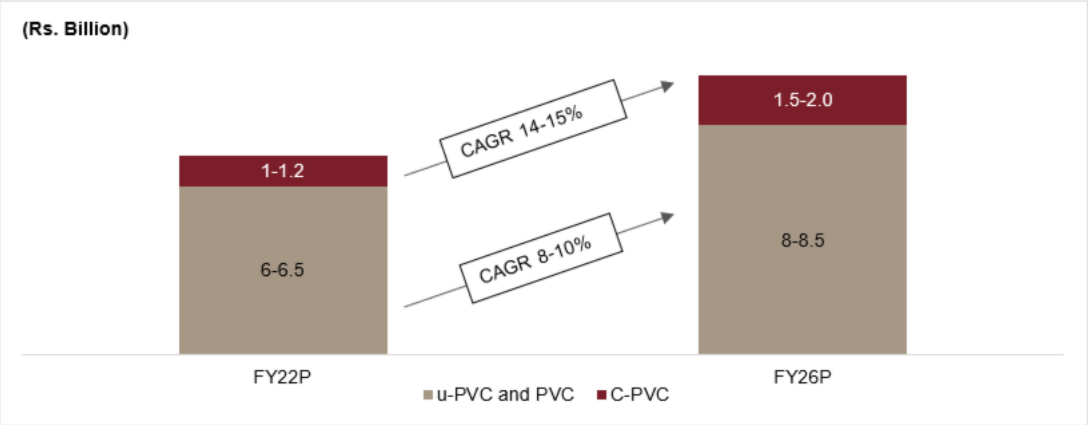
P: Projected Source: CRISIL Research

In particular, the CPVC adhesives segment is expected to witness the maximum growth during fiscals 2021 to 2026, as CPVC pipes in India are still at a nascent stage and have huge potential due to factors, such as longevity, fire resistance, corrosion- and lead-free nature, and the ability to withstand high temperatures.

u-PVC adhesive demand will be driven by growth in the u-PVC pipes business, growing at an 8-10% CAGR between fiscals 2021 and 2026. These pipes find application in agriculture and plumbing for potable water supply and sewerage. Continuous replacement of galvanised iron pipes with these pipes has supported healthy demand growth in the past. Features such as affordability and longer life compared with metal pipes have aided this segment. Government initiatives, such as AIBP (Accelerated Irrigation Benefits Programme), also provide growth potential.

Overall, the share of the CPVC segment is expected to increase to around 15% from the current levels.

Expected growth in PVC adhesives by segment



P: Projected Source: CRISIL Research

Peer comparison

Even while the PVC adhesives market is at an early-growth stage, competition has been growing with new companies entering the market. However, the organised sector dominates on the back of the increased brand awareness of end users.

The market has both core manufacturers and pipes and fittings players who have entered the PVC adhesive manufacturing space. While leading manufacturers include HP Adhesives Ltd., Astral Adhesives, and Ashirvad Pipes Pvt. Ltd., the latter category has Prince Pipes, Apollo Pipes, Jain Irrigation, and Supreme Industries, among others. However, these players manufacture very small volumes as compared with core manufacturers. Though the market is dominated by organised players, there are a large number of unorganised players who cater to small contractors and plumbers looking for low-cost products.

HP Adhesives Ltd. is the largest manufacturer, having 14-16% market share followed by Astral Adhesive with a share of 11-13%. Both players offer a wide range of solvent cements for various types of plastic pipes and fittings. Pidilite Limited and Ashirvad Pipes Pvt. Ltd. are also among the major manufacturers of PVC adhesives in the Indian market.

Product portfolios of some of the key players

Below is the product profile of the key players in the segment:
Key players and their product offerings

Player name	Products
HP Adhesives Ltd	PVC: Stongweld 300, 304, 305, 311, 317, 319 (for 4-18 inch diameter pipes), HP Regular Duty Clear cement (for all pipes up to 12 inch diameter) u-PVC: 904, 905, Aqua Plus, 911, 917, Gold (for 4-18 inch diameter pipes) CPVC: Gold Yellow, 914 Heavy Duty (for 2-12 inch diameter pipes)
Astral Ltd	Weld-On 705 (industrial grade for 4-6 inch diameter pipes), Weld-On 500 CPVC, Weld-On 100 u-PVC, Solvobond (for smaller pipes and PVC components), Amrow u-PVC (drainage pipes), Plastiweld (for pipes that can withstand up to 60 degrees Celsius), Truzo CPVC
Ashirvad Pipes Pvt Ltd	One Step UPVC Blue Medium Solvent Cement, Purple Primer Solvent Cement, Ashirvad FlowGuard-Plus® CPVC, 2 Step CPVC Solvent Cement Orange Coloured, UGD Solvent cement, SWR Solvent cement
Prince Pipes and Fittings Ltd	Superfit PVC Pipe adhesive tubes (25-100 ml), bottles (25 ml-litre), can (5 litres), tins (50 ml-1 litre)
Jain Irrigation Systems Ltd	Perma Fix Solvent cement for u-PVC pipes available in 10 ml to 5 litres packaging
Supreme Industries Ltd	Silbond PVC (regular medium and heavy bodied solvent cement, Silbond CPVC (Medium and heavy-bodied solvent cement)

Source: Company, CRISIL Research

Pipe manufacturers such as Supreme Industries, Prince Pipes and Jain Irrigation have a smaller share in the PVC adhesive market, while adhesive manufacturers such as HP Adhesives Ltd., Astral Adhesive and Ashirvad Pipes enjoy brand awareness and loyalty because of their long-standing presence. The pipe manufacturers are trying to gain market share by leveraging their established network of distributors and dealers.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 28, 202 and 275, 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. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements included in this Red Herring Prospectus. For further information, see "Restated Financial Statements" beginning on page 202. Unless the context otherwise requires, in this section, references to "we", "us", "our", "our Company" or "the Company", refers to HP Adhesives Limited. Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Assessment of Adhesives and Sealants market in India" dated November 2021 (the "CRISIL Research") prepared and issued by CRISIL Limited commissioned by us in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Research report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Overview

We are a fast-growing multi-product, multi-category consumer adhesives and sealants company. For our largest product category – PVC solvent cement, we are amongst the leading manufacturing companies in India in the consumer/ bazaar segment of the adhesive industry. (*Source: CRISIL Research*).

We manufacture a wide range of consumer adhesives and sealants such as PVC, cPVC and uPVC solvent cement, synthetic rubber adhesive, PVA adhesives, silicone sealant, acrylic sealant, gasket shellac, other sealants and PVC pipe lubricant which are sold across India, through an extensive distribution network of distributors, and exported also to several countries, through network of distributors and direct customers. We also manufacture these products for select large PVC pipe manufacturing companies under co-branding or private label on order basis. Apart from the above products, we also sell ancillary products like ball valves, thread seal and other tapes and FRP products for drainage and architectural solutions that are distributed along with our products to the end-customers through our distribution network.

The aforesaid adhesives and sealant products have applications in multiple industries such as plumbing and sanitary, drainage and water distribution, general purpose building/ construction and interior operations as well as for glazing operations, woodwork, footwear, automotive, foam-furnishing and other varied industries.

We have a robust business model aimed at consistently expanding our product portfolio by introducing new product categories as well as SKUs to cater to multiple end-use applications which are sold through our distribution network across India. With strict focus on product quality and long-standing track record in the distributor network, we have an established brand image which helps us in penetrating new product categories. We constantly engage with our distributor network through marketing and promotional activities and also conduct a range of activities such as distributor meets, retailer meets and plumber and carpenter meets which leads to promotion of our product brands. As of September 30, 2021, our distribution network comprised of 4 depots situated in Delhi, Kolkata, Bengaluru and Indore and more than 750 distributors who cater to more than 50,000 dealers in India. Our sales team works closely with our distributors and end- appliers to obtain their insights and feedback about the upcoming trends in the industry which enables us to formulate an effective strategy for product development, sales, marketing and pricing.

As of September 30, 2021, we are operating out of our manufacturing facility located at Village Narangi, Raigad (Maharashtra) which is a multi- product manufacturing facility. Our manufacturing facility is strategically located in close proximity to Jawaharlal Nehru Port Trust (JNPT) from where we receive our supply of imported raw materials as well as from where we export to international market. During the FY 2020-21, we have sold our products in 21 countries namely, Bahrain, Bangladesh, Ghana, Greece, Iraq, Kuwait, Mauritius, Nepal, Nigeria, Oman, Philippines, Qatar, Republic of Malawi, Saudi Arabia, Taiwan, Turkey, UAE, Uganda, UK, USA and Yemen. Export to these countries was halted during the month of April 2020 due to nationwide lockdown imposed on account of the COVID-19 pandemic. We intend to expand our manufacturing capacity at Village Narangi, Raigad, Maharashtra to cater to the growing demand for several product categories. For further information, see *"Our Business – Proposed Expansion Plans"* and *"Objects of the Offer"* beginning on pages 161 and 94, respectively.

The table below sets forth certain key operational and financial metrics for the periods indicated:

(₹ in Lakhs, except percentages)

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Six months ended September 30, 2021
Revenue	8,741.75	9,547.93	11,816.16	7,051.58
EBITDA	870.09	691.95	1,768.67	734.38
EBITDA margin	9.95%	7.3%	14.97%	10.41%
Restated profit for the year	400.07	(467.05)	1005.97	310.24
Restated profit for the year as % of Revenue (PAT margin)	4.57%	(4.89) %	8.51%	4.40%
Capital employed	3890.51	3,803.21	4,992.25	5,503.23
ROCE (%)	20.5%	12.1%	31.6%	10.8%*
ROE (%)	27.3%	(188.0)%	79.5%	8.3%*
Debt-to-Equity ratio	1.61	13.93	3.33	0.79

**Not annualised*

Strengths

- **Consistently growing company with established brand presence**

Our Company has grown from a single product to a multi- product adhesives company with sales across India (through pan-India distribution network) and also in international markets. Our revenue from operations has grown from INR 355.96 Lakhs in Fiscal 2010 to INR 11,816.16 Lakhs in Fiscal 2021, registering a CAGR of 37.5% in last 11 years. Over the years, our Company's brands "HP" and "Strong Weld" in PVC adhesives product category have gained increasing acceptance on account of high product quality and efficient pricing. Despite Fiscal 2021 being impacted by COVID-19, our revenue from operations have grown by 23.75% between Fiscal 2020 to Fiscal 2021. This brand image has enabled us to introduce newer product categories through the existing distribution network initially and then to a larger customer base with an established goodwill. Increasing acceptance in newer product categories due to high quality and efficient pricing has further established Company's brand reputation.

- **Wide Product Portfolio and multiple SKUs**

When we started our business activities, we only had one product category i.e. PVC, cPVC and uPVC solvent cement. Over last few years, we have expanded our product portfolio to multiple product categories including silicone sealants, synthetic rubber adhesives, PVA adhesives and other sealants. Having a wide portfolio of product categories enables us to cross-sell to a large customer base (which, in our case, are majorly distributors) who in-turn reach out to large number of retail counters for serving the appliers and eventual end-customer. Having a wide product portfolio also enables our Company to

efficiently compete with larger adhesive players in the market who also have a wide product offering. Our constant efforts are focused towards continuously identifying market demands and introducing relevant products with high quality. For the six months period ended September 30, 2021 and financial year ended on March 31, 2021, PVC, cPVC and uPVC solvent cement generated revenues of INR 4,334.23 Lakhs and INR 8,443.65 Lakhs respectively which represents about 60.64% and 70.44% respectively of our total sales. Silicone sealants, introduced in the year 2019, contributed approximately 9.17% and 7.99% of the total revenue for the six months period ended September 30, 2021 and financial year ended on March 31, 2021 respectively. PVA adhesives and synthetic rubber adhesives, introduced in the year 2018, together contributed about 7.25% and 5.33% of the total revenue for the six months period ended September 30, 2021 and financial year ended on March 31, 2021 respectively.

Within each product category, we have multiple SKUs in terms of grades, pack sizes for various applications thereby enabling us to meet the needs of diverse customer base. In PVC, cPVC and uPVC solvent cement, we have 295 SKUs. Similarly in silicone sealants, we have 16 SKUs. In PVA adhesives, we have 75 SKUs. Our wide range of SKUs from 10 ml tubes to 200 litre drums help us cover both small jobs as well as project applications.

- **Focusing on multiple end-user industries**

We have over the last few years introduced new product categories which have diverse end-use applications. Initially when we started with PVC adhesives, we were primarily dependent on the PVC and cPVC pipes industry (irrigation, plumbing and water transport) for its growth. Subsequently, we have now established a good presence in silicone sealants, which has helped us to diversify into more end-user industries such as automobiles, electronic devices and appliances, glass and glazing, external weather sealing, general interior sealing, bathroom and sanitary, uPVC door and window industry, ACP panel industry, wood working (in case of PVA adhesives) and furniture, footwear, handicrafts, automotive, PVC flooring, AC ducting, upholstery, foam- mattresses, non-woven and thermal insulation leather, (in case of synthetic rubber adhesives). This expansion has facilitated a diversified product portfolio and has helped us create demand for our adhesives and sealants across various end-user industries.

- **Diversified customer-base**

  - **Extensive distribution network across India catering to customers**

We have established our distribution network strategically over the last several years to meet our goals. Our distributors cater to retailers who, in turn, make the product available for end-users (typically plumbers, carpenters, masons, glazing contractors, etc). Our sales team services the retail network through the distributors by making regular visits. For the financial year ended on March 31, 2021 and six months period ended on September 30, 2021, out of our total revenue from operations, our sales to distributors was about INR 8,573.79 Lakhs and INR 5,293.21 Lakhs respectively which represents 71.52% and 74.06% respectively of our total sales. We have more than 750 distributors and no distributor constitutes more than 5% of our total sales in Fiscal 2021 and six months period ended September 30, 2021. Top 10 distributors contributed not more than 20% of total sales in Fiscal 2021 and six months period ended September 30, 2021. Our distributors are also spread across the country having presence in 23 states and 4 union territories.

  - **Established presence in International markets**

It is our Company's philosophy to develop and manufacture good quality products. This has helped our Company to develop and grow the exports business consistently. Our Company has received the prestigious NSF International certification in the year 2011. NSF is considered as a benchmark of quality and safety for products linked to drinking water distribution. Our customers in international markets are primarily from Middle East and Indian sub-continent and we have increasing presence in USA, Africa, South-East Asia and Europe. These customers are large distributors or organized retailers in their respective countries and our products are well accepted by these customers because of high quality. Our exports business constitutes 17.20% and 11.51% of sales in the Fiscal 2021 and six months

period ended September 30, 2021 respectively and has grown 17.30% CAGR over last 11 years. As of March 31, 2021 and September 30, 2021, we have sold our products in 21 and 17 countries respectively in spite of the impact due to the pandemic.

- **Institutional sales to select large players**

Due to our emphasis on product quality and efficient manufacturing at competitive pricing, select players from the end-user industry have relied upon our Company to procure adhesives for their markets. This business opportunity has helped us to develop larger customer base for our products. We have business relationship with large PVC pipe companies in this segment for over a decade. These products carry a co-branding/ private label strategy further strengthening our market position even in our own channel. These large customers are generally PVC pipe companies whose validation creates additional brand strength for us.

- **Synergy of young and experienced management team with a committed employee base**

We have a strong management team with considerable industry experience. Our Promoters, Mrs. Anjana Haresh Motwani and Mr. Karan Haresh Motwani have been instrumental in the growth of our business. Our Promoters have, between themselves, over four decades of experience in the adhesives industry. Mr. Karan Motwani, who joined the business in 2007, has 14 years of experience in this industry and has played a key role in introducing new product categories and expanding distribution network across the country while continuing to strengthen the presence in international markets. We are backed by a synergized crew of experienced and young support team which has been built up over the years and has been contributory in achieving the goals of our Company.

Our key business functions like sales, production, finance, HR and supply chain play key role in efficient day-to-day operations of the Company. We endeavour to maintain a balance of highly experienced and young professionals in the team. Our Board of Directors includes a combination of management executives and independent members who bring in significant business expertise including in the areas of administration and management, manufacturing, finance, compliance and audit.

As we are a fast growing organization, our team size has increased considerably in the last few years, particularly our sales team. We have a well-defined organization structure including our sales team. We have a cordial relationship with our employee base across offices, sales depots and manufacturing location.

- **Efficient manufacturing set-up with scope for expansion**

Our manufacturing facility is located at Village Narangi, Raigad, Maharashtra which is at a distance of about 80 kms from Mumbai, Maharashtra. The land where our manufacturing facility has been established is owned by our Promoters and the same has been licensed out to our Company. Over last few years, we have expanded our manufacturing capacities by making incremental additions to our equipment with growth in our business. We have also made consistent investments in automation of our manufacturing facility which has in turn helped us in increased productivity.

We are also in the process of expanding by setting up an additional unit having a proposed construction area admeasuring about 4,532.57 sq. mtrs. (built-up) area on the adjacent plot. Our Company has entered into a Leave and License Agreement dated July 9, 2021 between Mrs. Anjana Motwani and Mr. Karan Motwani (as "Licensors") and HP Adhesives Limited (as "the Licensee") for occupying and using the land located at 7/18, Village Narangi, Taluka Khalapur, Dist. Raigad – 410203 for a period of 36 months, with a provision for automatic renewal for a further period of 24 months. Our manufacturing facility is strategically located within proximity to JNPT port from where we receive key raw material supplies.

- **Effective quality checks thereby reducing batch failure**

We have developed rigorous quality control processes. We inspect all the raw materials we receive as well as work-in-progress and final products. We have implemented internal procedures to ensure quality control at various stages of production, from procurement of raw material, production to inventory storage. Our manufacturing facility has personnel responsible for monitoring the parameters of equipment, stability of materials, reporting any irregularities in the manufacturing process and making adjustments accordingly. These levels of quality checks ensure maintenance of our brand value for quality of products.

- **R&D set up for constant product improvement and new product development**

Our Company has extensive research and development experience. We focus on developing cost effective manufacturing processes as well as new and cost- efficient products. Our Company has a dedicated team of research and development personnel which is continuously engaged in developing new products and processes.

Strategy

- **Continue to introduce new product categories**

As a growth strategy, our Company is focused to introduce new product categories to cater to more end-users. This helps in strengthening the relationship with existing distribution network as they have a larger product basket to offer to their customers, at the same time, we onboard new distributors in untapped segments and regions. Identifying and developing new products and product categories is a continuous exercise that the management team engages into as we believe that the market opportunity is immense for high quality, competitively priced products in the Indian market.

- **Further expand our distribution network across India and globally**

Over the last several years, our Company has constantly expanded the distribution network across the country and this continues to be one of the core strategies of the Company to further expand the distribution network. Having a wider product portfolio and an established brand presence in existing products, provides confidence to new distributors to engage with our Company. While we believe in growing the distribution network, proper area marking and financial credibility check is done before appointing a distributor to ensure a good service and reputation in the market without hurting our existing channel. Profile of every distributor that is on-boarded is matched with our well-established criteria and the relationship with every new distributor is gradually built upon.

- **Further strengthen brand image**

Over last several years, our Company has made consistent efforts to strengthen the brands "Strong Weld", "HP" and now in newer product categories like "Strong Seal" (for silicone sealant) and "Strong Fix" (for PVA and synthetic rubber adhesives) by undertaking several marketing and promotion initiatives. Our Company organises dealer and distributor meets, plumber meets in order to promote the brand but no specific Brand promotion policy has been adopted. The promotion expenses incurred by our Company in Fiscal 2018-19, 2019-20 and 2020-21 and six months periods ended September 30, 2020 and 2021 were ₹ 42.44 Lakhs, ₹ 314.45 Lakhs, ₹ 11.75 Lakhs, ₹ 2.03 Lakhs and ₹ 5.63 Lakhs, respectively. Going forward, our Company will strive to further bolster this brand image by undertaking marketing initiatives which will not only increase the visibility in the market but also create a strong brand recall. Though the bigger product category of PVC, cPVC and uPVC solvent cement has helped us establish in the market, increasing marketing and sales promotion activities for newer product categories going forward will take our brand image to the next level.

- **Expansion of manufacturing facility**

We are in the process of carrying out capacity expansion plans at our existing manufacturing facility at Village Narangi, Raigad, Maharashtra to aid our growth efforts and pan-India presence. We intend

to use a part of the Net Proceeds towards expansion of our manufacturing facility. For further details on the expansion, please refer to the chapter titled "Objects of the Offer" beginning on page 94 of this Red Herring Prospectus.

- **Increasing the size of the field staff will help secondary penetration**

  Our key focus is to increase our penetration in the markets where we currently operate by replicating the same proposition that has helped us grow in the past. There is significant untapped opportunity in rural and semi-urban areas that can be capitalized by expanding our sales team. As of September 30, 2021, we had a strength of 198 sales team members and intend to keep growing the team.

  The sales team of our Company consists of VP – Sales and Marketing, Product Heads, Deputy General Managers, depot heads, area sales managers and frontline sales officers. Generally, the depot heads, area sales managers and frontline sales officers are graduates, Product Heads, Deputy General Managers are post graduates with relevant industry experience and the VP – Sales and Marketing is a post graduate in business and marketing with experience of over 22 years in sales & marketing, business development, product promotion and client relationship management in pharmaceuticals, paint and adhesives industries. The entire sales team is permanent feature of our business operations. The expense ratio of sales team to total employee expense for FY 2018-19, 2019-20, 2020-21 and six months period ended September 30, 2021 is 36%, 43%, 49% and 61% respectively.

- **Enhancing demand by incentivizing the product end- user i.e., applier**

  Our sales are driven by the appliers that are typically plumbers, carpenters, masons and glazing contractors. We offer incentives to these appliers through additional gifts on a select range of products. We also incentivize the distributors based on purchase volumes and payment practices. We intend to continue the marketing of our products through incentivization for the appliers which will help to ensure more loyalty.

- **Plant automation to improve productivity**

  We intend to automize the process of manufacturing and packaging. The plant & machinery at the facility under expansion is targeted to be more automated to reduce human intervention and thus decreasing the scope of human error. The entire activity will lead to higher efficiency and production output.

- **Technology integration for all business functions**

  We believe that through investments in our technology infrastructure, we have been able to increase our operational efficiencies and achieve economies of scale. We also believe that such initiatives will drive cost efficiencies, improve customer service, reduce manual workload and integrating our business functions thereby improving our business processes.

- **Continue to drive business based on people-centric policies and practices**

  We believe members of our workforce are a key part of our business success and therefore we maintain people-centric policies and practices. While our management leads us ably in achieving our growth and expansion goals, identification and retention of key talent is crucial to our business. We will continue to strive to provide a positive, safe and collaborative working environment to our employees and invest in structured training and upskilling programs for them. All upskilling programs are conducted on need based by our Company through its VP – Sales and Marketing or Product Heads or Deputy General Managers for imparting training to its junior staff which includes both classroom training and on-field training. These trainings cover subjects like product knowledge, improving sale techniques, improving dealer loyalty techniques, market intelligence gathering techniques, etc. This will promote a culture of meritocracy and diversity and drive them give their best output.

Business Operations

Product Portfolio

The portfolio of our products comprises of PVC, cPVC and uPVC solvent cement, synthetic rubber adhesive, PVA adhesives, silicone sealant, acrylic sealant, gasket shellac, other sealants and PVC pipe lubricant. Majority of our products are sold under the brand names "HP", "Strong Weld", "Strong Seal" and "Strong Fix".

The below mentioned table sets out the production sales turnover of our primarily manufactured products for the periods indicated:

(Rs. in Lakhs)

Product Category	Fiscal 2019	Fiscal 2020	Fiscal 2021	Six months period ended September 30, 2021
	Sales Turnover	Sales Turnover	Sales Turnover	Sales Turnover
Consumer and Bazaar Adhesives - PVC, cPVC and uPVC Solvent Cement - Synthetic Rubber Adhesive - PVA Adhesive	6,798.17	7,355.79	9,082.68	4,852.45
Consumer and Bazaar Sealants - Silicone and allied sealants - Other sealants	100.18	590.96	1,021.12	668.88
PVC Pipe Lubricant	170.90	209.95	182.89	91.61

Our Manufactured Products

<u>Consumer and Bazaar Adhesives</u>

PVC, cPVC and uPVC solvent cement

PVC, cPVC and uPVC Solvent Cement is a solution of solvents and additives combined with resins. A more common way to distinguish solvent cement is by viscosity. Solvent cement viscosity can be classified into the following three categories:

(i) Regular bodied (RD)
(ii) Medium bodied (MD)
(iii) Heavy bodied (HD)

PVC, cPVC and uPVC solvent cement is broadly used in PVC, cPVC pipes, uPVC pipes, electrical piping systems. We manufacture the solvent cement in all three viscosity categories in different colours including clear, yellow, orange, blue, grey and purple. The following table elaborates our product portfolio of solvent cement:

Product	Brand Name	Type	Application/ End Use
PVC, cPVC and uPVC Solvent Cement	- HP - STRONG WELD	PVC	- PVC pipes and fittings for irrigation, sewage and drainage - Electrical piping system
		cPVC	cPVC pipes and fittings for hot and cold plumbing system
		uPVC	uPVC pipes and fittings for high pressure plumbing system
		Primer & Cleaner	All Purpose

Synthetic Rubber Adhesives

Synthetic Rubber (SR) adhesives provide the advantage of high initial tack. They are based on adhesives that exhibit the ability to bond themselves to different surfaces. These dry surfaces bond immediately on application of the adhesive. Once the bond has been made, it is typically pressed or rolled to insure complete contact. The high initial tack of SR adhesives makes them ideal for a variety of applications.

We manufacture brushable and sprayable contact adhesive in different grades in clear, yellow and brown colours. The following table elaborates on our product portfolio of contact adhesive:

Product	Brand Name	Type	Application/ End Use
SR Adhesive	STRONG FIX	Brushable	Furniture Footwear Handicrafts Automotive PVC flooring AC ducting Upholstery Foam and Mattresses Non-woven Thermal insulation
		Sprayable	

PVA Adhesive

Polyvinyl acetate, commonly known as wood glue or carpenter's glue, is a widely available adhesive used for porous materials like wood, paper, cardboard and crafts.

We manufacture various grades of PVA adhesive including gold, silver and aqua. The following table elaborates on our product portfolio of silicone sealant:

Product	Brand Name	Application/ End Use
PVA Adhesive	STRONG FIX	Woodworking Other general purposes

<u>Sealants</u>

Silicone and Acrylic Sealant

Silicone sealant is a liquid form of adhesive, it looks, feels and acts like a thick gel. It has a different chemical make-up from other organic polymer-based adhesives. Unlike other adhesives, silicone keeps its elasticity and stability in both high and low temperatures. Furthermore, silicone sealant is resistant to other chemicals, moisture, and weathering. This makes it less likely to fail when building and repairing objects.

Acrylic sealant is a sealing material, mainly obtained from acrylic resins. Overcoat painting can be carried out on acrylic sealant for interior and exterior decoration.

These sealants are commonly used to bind or seal surfaces such as plastic, metal and glass together. Being resistant to high temperatures they are commonly used in automobiles, electronic devices, solar panels, doors and windows. These are also widely used in glazing, external weather sealing general interior sealing, bathroom and sanitary, and exterior applications in relation to construction.

We manufacture these sealants in various grades in clear, white, black, grey and customized colours. The following table elaborates on our product portfolio of sealants:

Product	Brand Name	Type	Application/ End Use
Silicon and Acrylic Sealant	STRONG SEAL	Acetoxy	Automobiles Electronic devices and appliances Glass and glazing External weather sealing General interior sealing Bathroom and sanitary UPVC and aluminum door and window industry ACP (aluminum composite panel) industry
		Neutral	
		Acrylic	

Other Sealants

We also manufacture gasket shellac, metal pipe-fitting sealants and PVC pipe lubricants. Gasket shellac sealant is a slow-drying, hard setting liquid designed to coat, seal and repair most gaskets. It is used on flanged surfaces, gaskets, threaded assemblies and hose connections. Gasket shellac are manufactured in standard grade in black colour. Rubber lubricant is used for simple, quick, watertight joint in drainage pipes. Metal thread sealants are used to make a leak-proof joint on threaded metal pipes and fittings including crome plated bathroom fittings.

We sell the above products under our own brand names and also manufacture the same for select third-party companies as per their requirements.

Ancillary Products

Ball Valve

A ball valve is a shut off valve that controls the flow of water by means of a rotary ball. By rotating the ball a quarter turn (90 degrees) around its axis, the water can be blocked or released. They are characterized by a long service life and provide a reliable sealing over the life span, even when the valve is not in use for a long time. They are utilized the most when water needs to be shut off to carry out cleaning or repair and maintenance of the water inlet or outlet lines. We outsource the manufacturing of ball valves as it does not enjoy economies of scale in India. This outsourced as per our specification and we sell them to our customers under our brand name.

Tapes

PTFE Tape

Polytetrafluoroethylene (PTFE) film tape, also known as Teflon tape or plumber's tape, is commonly used in plumbing for sealing pipe threads. The tape is made in various widths and wound on a spool, making it easy to wind around pipe threads. This tape lubricates allowing for a deeper seating and unscrewing even after long periods of time.

Typically, the tape is wrapped around a pipe thread multiple times before the pipe is screwed into place. It is commonly used commercially in applications including pressurized water systems and central heating systems. We outsource the manufacturing of PTFE tapes and get them made in various sizes and white and yellow colours. We sell them under our brand name.

Masking Tape

Masking tape is a type of pressure-sensitive tape made of a thin and easy-to-tear paper, and an easy release pressure-sensitive adhesive. It is available in a variety of widths and lengths. It is used mainly during painting, carpentry and other interior project work to protect expensive materials and surfaces like glass, laminates and others from getting stained.

The adhesive is the key element to its usefulness, as it allows the tape to be easily removed without leaving residue or damaging the surface to which it is applied.

We outsource the manufacturing of masking tapes in various sizes and sell in our own brand name.

FRP Products

Fiber-reinforced plastic (FRP) is a composite plastic made up of polymer that is supported with fiber glass and polyester resins for strength. Composite plastics refers to those types of plastics that result from bonding two or more homogeneous materials with different material properties to derive a final product with certain desired material and mechanical properties. Fiber-reinforced plastic is useful in terms of corrosion protection because it helps in preventing corrosion due to force application and deformation such as stress corrosion cracking. Fiber-reinforced plastic may also be known as fiber-reinforced polymer.

The portfolio of FRP products includes:

(i) FRP Manhole Covers
(ii) FRP Water Gully Cover
(iii) FRP Recessed Cover
(iv) FRP Overhead Tank Cover
(v) FRP Molded Gratings

Manufacturing Facility

We operate from our manufacturing facility in Village Narangi, Raigad, Maharashtra. Our manufacturing facility is supported by infrastructure for storage of raw materials, manufacture of adhesives, storage of finished goods, together with a quality control and research & development laboratory.

We source raw materials from suppliers based on quality specifications and cost effectiveness. Easily available materials are procured from suppliers located in close proximity to our manufacturing facilities to minimise inward freight costs and reduce the cost of raw materials. Whereas certain chemicals, resins and additives are imported from preferred suppliers across China, Germany, Japan, US etc.

The power requirements for this facility are met through the local state power grid and power back-ups to operate packaging lines and general lighting, while water is procured from the third-party water supplier.

Capacity and Capacity utilization

The following table sets forth certain information relating to our capacity utilization of our manufacturing facility calculated on the basis of total installed production capacity and actual production as of for the periods indicated below:

Products	Units	1-Apr-18 to 31-Mar-19			1-Apr-19 to 31-Mar-20			1-Apr-20 to 31-Mar-21		
		Capacity	Production	Utilization	Capacity	Production	Utilization	Capacity	Production	Utilization
Solvent Cement (PVC Adhesives)	Ltrs	48,79,059	26,14,953	54%	48,79,059	27,57,403	57%	60,98,824	31,30,543	51%
Synthetic Rubber Adhesive	Kgs	18,00,000	1,14,024	6%	18,00,000	3,11,425	17%	18,00,000	4,53,213	25%
PVA Adhesives	Kgs	2,59,200	40,000	15%	6,91,200	2,05,145	30%	6,91,200	4,01,321	58%
Silicon Sealant	Kgs	4,60,800	36,104	8%	4,60,800	2,81,430	61%	4,60,800	3,85,432	84%
Shellac	Kgs	1,03,680	7,400	7%	1,03,680	6,550	6%	1,03,680	21,032	20%
Other Sealant*	Kgs	-	-	-	2,18,880	10,344	5%	2,18,880	8,124	4%

**Initial trial batches of white and black sealant manufactured in solvent cement vessels only for FY19*
As certified by M/s. Orbit Consultants & Valuers vide certificate dated September 15, 2021

The information relating to the installed production capacity of our manufacturing facility, as included above and elsewhere in this Red Herring Prospectus are based on various assumptions and estimates that have been taken into account by the Chartered Engineer for calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice of the adhesives and sealants industry after examining the calculations and explanations provided by us. The assumptions and estimates taken into account include the following: (i) Number of working days in the FY: 288; and (ii) Batch per day is considered on 8 hour working of the plant per day.

Actual production levels and utilization rates may vary from the capacity information of our manufacturing facility included in this Red Herring Prospectus and undue reliance should not be placed on such information. Please see Risk Factor No. 37"Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing facilities included in this Prospectus are based on various assumptions and estimates and future production and capacity may vary." on page 37 of this Red Herring Prospectus.

Proposed Expansion Plans

In order to meet the growing demand for adhesives and sealants, we propose to expand our facility to increase capacities for manufacturing our existing products and also begin manufacturing Epoxy Adhesives and Spray Paint to further expand our market base.

This proposed expansion shall be on a land parcel that is owned by our Promoters and taken on Leave and License basis by us, which is adjacent to our existing manufacturing unit. The unit is being set-up for the purpose of manufacturing our existing products PVC, cPVC and uPVC Solvent Cement, Synthetic Rubber Adhesive, PVA Adhesives, Silicone Sealant, Gasket Shellac, PVC pipe Lubricants as well as begin manufacturing of new products such as epoxy adhesives and spray paint. Consistent with past practice, we will look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels.

Post completion of our proposed expansion plans, the expansion unit is expected to have an estimated installed capacity of 8,265.60 KLPA of solvent cement and 11,908.40 MTPA of other adhesives and sealants MTPA of other adhesives and sealants and is expected to be operational during Fiscal 2024. Please also see the chapter titled *"Objects of the Offer"* beginning on page 94 of this Red Herring Prospectus.

Given below are some of the material approvals which are required for the proposed Additional Unit with their current status:

(a) License for expansion under the Factories Act, 1948: To be applied

(b) Consent to establish under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 for manufacturing Silicon Sealant upto 150 MT/ month: *Obtained*

(c) Consent to Operate under the Water (Prevention & Control of Pollution) Act 1981, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 : *Applied*

The information on our proposed expansion plans are indicative and remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. We are in the process of obtaining various consents, approvals and acknowledgements from regulatory authorities that are routine in nature in relation to the proposed expansion at the Facility.

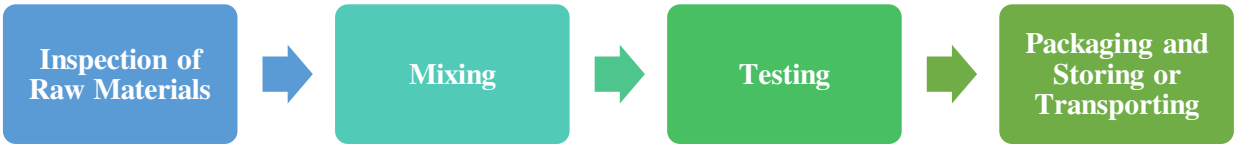
Also see, Risk Factor No. 1 *"Our proposed capacity expansion plans relating to our manufacturing facility are subject to the risk of unanticipated delays in implementation and cost overruns."* on page 29, and *"Government and Other Approvals - Approvals applied for but not received "* beginning on page 302 of this Red Herring Prospectus.

Procurement of Raw Materials

The primary raw materials used in the manufacture of adhesives include solvents like acetone, methyl ethyl ketone, cyclohexanone, toluene and resins and other additives. Primary raw materials for sealants include silicon polymers, silicone oil, silica and catalysts. In Fiscal 2019, 2020 and 2021 the cost of raw materials and components consumed represented 65.34%, 65.13% and 68.74%, respectively, of our revenue from operations. Raw materials are primarily transported to the manufacturing facilities by road. We source raw materials from a number of suppliers mainly based in and around the states in which we have our manufacturing facilities. We also import a few raw materials including resins, polymer and others from Japan, China, Germany and USA. The share of imported raw material as % to total production for the FY 2020-21 and six months period ended September 30, 2021 is approximately 17.1% and 26.99% respectively.

Manufacturing Process

Adhesives



Inspection of Raw Materials: The incoming materials are inspected upon delivery pursuant to quality control specifications. Raw materials are accepted and stored only after they have passed the relevant quality control tests.

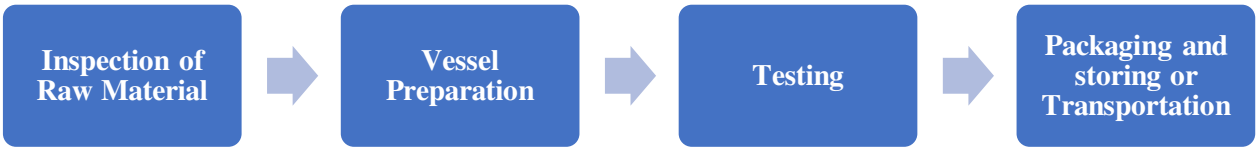
Mixing: Relevant solvents are selected and weighed pursuant to the product codes for each batch of product to be manufactured. Solvents are then loaded and mixed. For PVA adhesives, water is mixed with polymers and other raw materials are added in the mixer and mixed. Temperature controls are to

be followed as per the defined process to get the optimum output from the batch. Colour, as per the requirement, is added after the mixture is mixed and the required viscosity levels are achieved.

Testing: Samples of the batches made are tested and inspected pursuant to the quality control requirements and the product specifications in respect of density, viscosity, adhesion, flexibility, level of drying and colour (if any).

Packaging and Storing or Transportation: After passing quality control tests, the solvents and adhesives manufactured are packed, labelled and transported to the depots as per the inventory management system.

Sealants



Inspection of Raw Materials: The incoming materials are inspected upon delivery pursuant to quality control specifications. Raw materials are accepted and stored only after they have passed the relevant quality control tests.

Vessel Preparation: Vessel is prepared along with the required raw materials in accordance with the specifications of the product manufacturing norms.
Mixing: The prepared vessel is attached to the mixer for mixing, other additives are gradually added to this mixture. Temperature is kept under check as per the manufacturing norms. Colour, as per the requirement, is added after the mixture is mixed and the required viscosity levels are achieved.

Testing: Samples of the batches made are tested and inspected pursuant to the quality control requirements and the product specifications in respect of density, viscosity, adhesion, flexibility, level of drying and colour (if any).

Packaging and Storing or Transportation: After passing quality control tests, the sealants manufactured are packed, labelled and transported to the depots as per the inventory management system.

Inventory Management

Our finished products are stored on- site at our manufacturing facility and at our depots. We produce a quantity of finished products that is determined based on a combination of confirmed and expected orders.

Distribution Network and Sales

Our distribution network and infrastructure comprises depots operated by us, distributors that we engage with and the appliers community in India. For the year ended March 2021 and six months period ended September 30, 2021, we distributed our products across 23 states and 4 union territories in India and we had depots located across 4 states in India.

Our depots operate as primary freight destination points and secondary freight origin points. Finished products are dispatched from our manufacturing facilities to our depots and are subsequently dispatched from our depots to individual distributors.

We supply our products to the distributors based on purchase orders issued. Each of our depots comprises a depot head, area sales managers and frontline sales officers. The frontline sales officers and area sales managers operate in the field and collect orders from distributors in their respective areas, which are then posted on the CRM software. Upon receipt of orders, the products are dispatched from the inventory maintained at the depot after due verification of the credit cycle of the distributor. Inventory at the depot is replenished on arrival of products from the manufacturing facility, based on the prevailing sales trends and demand forecast by the sales team.

Our Company's international distributors sell our products under its brand names HP, Strong Weld and others. These products are sold through their existing channel of customers where the responsibility of promoting, selling, distribution and payment collection lies solely with such distributors. Our Company supplies goods to its overseas distributors on cash against document ("CAD") basis or letter of credit ("LC") or in some cases, on credit basis.

The domestic distributors sell our Company's products under its brand names. These products are sold through their existing channel of customers as well as new customers created by the secondary marketing efforts by the Company's sales team. Here the responsibility of promoting the products is shared between the Company and our Company's distributors whereas the responsibility for selling, distribution and payment collection in the domestic market lies solely with the distributors. The Company supplies goods to its domestic distributors on advance basis or in some cases, on credit basis. The distributor agreements are for varied periods as per the understanding and relationship between the Company and the distributor.

Engagements with distributors and the applier community

Our distributor network is well integrated with our marketing and promotional activities and helps in strengthening our brand image. For instance, some of our distributors display advertising boards for our products at their outlets to attract consumers. We also consistently engage with our distributors and the appliers community by distributing branded merchandise and conducting a range of activities such as carpenters' meets and plumbers' meets. We also incentivize distributors based on purchase volumes and payment practices. See "Pricing" on page 164 of this Red Herring Prospectus. Appliers are incentivised through additional gifts on a select range of products. These engagements help us improve our brand image, sales and applier's loyalty.

Pricing

All materials are pre- printed with a prescribed Maximum Retail Price ("MRP") which includes all applicable taxes. A separate Distributor Price List ("DPL") is circulated to all the distributors indicating the amount for the products billed after standard discount. Distributors are offered various

types of discounts and incentives based on the volumes purchased and payment practices followed. We offer turnover discounts to distributors on the basis of volume of business with select distributors over a period of time. These discounts and incentives are typically in the form of credit notes at the end of each Fiscal Year.

Logistics

Our raw materials and finished products are primarily transported by road. Our suppliers directly deliver our raw materials to our manufacturing facility. We outsource the delivery of our products to third-party logistics companies. We rely on freight forwarders to deliver our products from our manufacturing facility to our depots and onwards to distributor outlets. We do not have long-term contractual relationships with our freight forwarders.

Utilities

Our business operations require use of power. Our power requirement for our manufacturing facility is sourced from the state power grid. Our manufacturing processes require uninterrupted supply of power in order to ensure that we are able to manufacture quality products. To ensure uninterrupted supply of power we have also installed back-up diesel generators at our manufacturing facility. We require minimal amounts of water for our manufacturing activities and rely on third party water supplier for the supply of water. Also see " – Manufacturing Facilities" on page 160 of this Red Herring Prospectus.

Brand building & Marketing

We have invested significantly in the promotion of the brands "HP" and "Strong Weld" and our sales promotion expenses in Fiscal 2018-19, 2019-20, 2020-21 and six months periods ended September 30, 2020 and 2021 were ₹ 42.44 Lakhs, ₹ 314.45 Lakhs, ₹ 11.75 Lakhs, ₹2.03 Lakhs and ₹5.63 Lakhs, respectively representing 0.48%, 3.29%, 0.09%, 0.05% and 0.08% respectively of our revenue from operations in such periods. We believe this investment in the promotion of our brand is one of the key factors that has enabled us to build awareness, grow our network of distributors across multiple regions, we will continue to benefit from the same historical investments in the brand as we execute our future growth plans.

We utilise a number of avenues to promote our brand and products, including our network of distributors and our relationship with the end- use appliers.

Technical Collaborations

We do not have any technical collaborations as on the date of this Red Herring Prospectus.

Information technology

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods and orders from distributors. We utilize accounting and CRM software which covers sales, purchase, inventory and financial reporting, across all our depots and the manufacturing facility.

Field Assist is a CRM software accessible through mobile and tablets on the Android platform, it is used to track multiple areas of secondary marketing like field staff movement, geo tagging their visits to retail dealers, punching their orders into the field assist system which are directly transferred to the distributors. These distributors then dispatch the same material and acknowledge the same on the Field Assist application. This gives us complete tracking of our sales team and the distributors dispatch performance. We are also able to better anticipate the change in demand and trends as we are in a position to analyse the retail product movement. Successfully completing all these processes automatically generates primary order between the Company and distributors which are punched in

Field Assist application. As all primary orders are entered into this application, the use of this application minimizes human errors at the time of placing orders.

Competition

The Indian adhesives and sealants industry has historically been dominated by few major players and presents significant entry barriers. The major player of the industry is Pidilite Industries Limited. These market entry barriers include the development of an extensive distribution network through long-term relationships with distributors, marketing cost and activities and the establishment of a distinct brand to gain product acceptance. We compete with such players on the strength of our distribution network, quality, brand recognition and ability to leverage our distributor relationships to connect with the end-use appliers.

We believe we are well-positioned to compete with these companies given our differentiated strategy where we seek to fulfil unmet product requirements, while at the same time offering a wide range of adhesive products across India. A significant amount of investment is required for the establishment of brand reputation and to penetrate into the sales network in India. With over three decades of operating history and the quality of our products, our product development capability and our range of adhesives for different applications, we believe that we have the competitive strengths in the adhesives market in India. For further information on the competition we face in the markets in which we operate, please see the chapter titled *"Industry Overview"* beginning on page 132 of this Red Herring Prospectus.

Quality Control

We place significant emphasis on quality control. Our quality management system with respect to our manufacturing facility has been certified to conform to ISO 9001:2015 and NSF/ANSI 14 requirements, subject to periodic audits conducted by ISO and NSF.

We inspect the raw materials we receive, work-in-progress and final products. We have implemented internal procedures to ensure quality control at various stages of production, from procurement of raw material, production to inventory storage. Our manufacturing facility has personnel responsible for monitoring the parameters of equipment, stability of materials, reporting any irregularities in the manufacturing process or the final output and making adjustments accordingly. There is no formal Return Policy adopted by our Company. However, as a good business practice, any products which are not in usable condition due to any manufacturing defect before the stipulated expiry date are accepted as returned goods by the Company.

Health and Safety

Our activities are subject to pollution control laws and various regulations which govern, among other matters, the storage and handling of flammable substances. For further information, please refer to the chapter titled *"Key Industry Regulations and Policies"* beginning on page 170 of this Red Herring Prospectus. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations. There have been no instances of penalties levied under the relevant pollution control laws or any other laws.

We have complied, and will continue to comply, with all applicable laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further information, please see the chapter titled *"Government and Other Approvals"* beginning on page 302 of this Red Herring Prospectus.

Insurance

We have purchased insurance in order to manage the risk of losses from potentially harmful events, including: (i) insurance policy covering fire, damage to buildings, plant and machinery, stocks (raw

materials and finished goods); (ii) motor insurance policies covering the vehicles and (iii) policy covering damage to stocks at our depots. These insurance policies are renewed periodically to ensure that the coverage is adequate. Our insurance covers our manufacturing facility and all of our operational depots. These covers are as described under:

Sr. No.	Policy Name	Insured By	Coverage	Location	Validity	Sum Insured (Rs. In Lakhs)
1.	Industrial All Risk Policy	The New India Assurance Co. Ltd	Material Damage Business Interruption Insurance	Village Narangi	May 9, 2022	5050.00 4400.00
2.	Fire and Special Perils Policy Burglary Policy	The New India Assurance Co. Ltd	Stock, Furniture & Fixtures, Office Equipment	Bengaluru	February 28, 2022 February 28, 2022	203.50 223.85
3.	ICICI Lombard Sookshma Udyam Suraksha Burglary Policy	ICICI Lombard General Insurance Company Ltd	Storage in godown or warehouse Stock, Furniture & Fixtures, Office Equipment	Delhi	August 29, 2022 August 29, 2022	252.00 252.00
4.	ICICI Lombard Sookshma Udyam Suraksha Burglary Policy	ICICI Lombard General Insurance Company Ltd	Storage in godown or warehouse Stock, Furniture & Fixtures, Office Equipment	Indore	October 15, 2022 October 13, 2022	54.00 54.00
5.	Fire and Special Perils Policy Burglary Policy	National Insurance Co. Ltd.	Stock, Furniture & Fixtures, Office Equipment	Kolkata	January 14, 2022 January 14, 2022	78.49 78.00
6.	Marine Cargo – Open Policy	ICICI Lombard General Insurance Company Ltd	Transportation of finished goods/ semi-finished goods/ raw materials from anywhere to anywhere in India and across the world	-	November 10, 2022	Per location: 500.00 Per transit: 500.00

Employees

As of September 30, 2021, we had an employee base of 364 employees. The following table sets forth a breakdown of our employees by function :

Function	No. of Employees	Cost to the Company for the month of September 2021 (Rs. in Lakhs)
Management	03	12.30
Administration	21	4.62

Function	No. of Employees	Cost to the Company for the month of September 2021 (Rs. in Lakhs)
Accounts & Finance	07	5.35
Sales	198	73.79
Research & Development	08	3.13
Design & Production	82	14.84
Stores & Dispatch	24	4.35
Human Resource	03	1.23
Maintenance	14	2.97
Purchase	04	1.99
Total	**364**	**124.58**

In addition, we contract with third- party manpower and services firms for the supply of contract labour for certain services at our manufacturing facility. The number of contract labourers varies from time to time based on the nature and extent of workload.

Intellectual Property

We have 22 trademarks including ‘ ’, ‘ STRONG WELD ’, ‘ STRONG FIX ’, ‘ hp ’ and other brands registered in the name of our Company and M/s. HP International. We are in the process of transferring some of these trademarks from ‘M/s. HP International’ to ‘HP Adhesives Limited’. Additionally, as on date of this Red Herring Prospectus we have 22 applications pending under the Trademarks Act, 1999 to register additional trademarks in the name of our Company.

We have also registered the domain name www.hpadhesives.com.

Property

Our Registered Office located at 11, Unique House, Chakala Cross Road, Andheri East, Mumbai – 400 099, Maharashtra, India and Administrative office located at 213, Unique House, Chakala Cross Road, Andheri East, Mumbai – 400 099, Maharashtra, India have been taken on leave and license basis from our Promoters. As of September 30, 2021, we operated 4 depots, all of which were held on rental or leave and license basis. As of the date of this Red Herring Prospectus, we operate one manufacturing facility at Village Narangi, Raigad (Maharashtra). The factory land has been taken by our Company on leave and license basis. The details of the properties taken on lease or leave and license or rental basis are as follows:

Sr. No.	Details of the Agreement	Name of the Licensor/ Landlord	Location	Validity	Use
1.	Leave & License dated July 15, 2021	Mrs. Anjana H. Motwani Mr. Karan H. Motwani	Survey No. 7/14/A/1, 7/14/B/1, 7/14/B/2, Village Narangi, Taluka Khalapur, District Raigad	36 months with provision for automatic renewal by further 24 months	Existing Facility
2.	Leave & License dated July 9, 2021	Mrs. Anjana H. Motwani Mr. Karan H. Motwani	Survey No. 7/18, Village Narangi, Taluka Khalapur, District Raigad	36 months with provision for automatic renewal by further 24 months	Additional Unit
3.	Leave & License	Mrs. Anjana H. Motwani	11, Unique House, Chakala Road, Andheri	36 months with provision for automatic renewal	Registered Office

Sr. No.	Details of the Agreement	Name of the Licensor/ Landlord	Location	Validity	Use
	dated July 9, 2021	Mr. Karan H. Motwani	East, Mumbai – 400 049	by further 24 months	
4.	Leave & License dated July 9, 2021	Mrs. Anjana H. Motwani Mr. Karan H. Motwani	213, Unique House, Chakala Road, Andheri East, Mumbai – 400 049	36 months with provision for automatic renewal by further 24 months	Administrative Office
5.	Lease Agreement dated May 8, 2019	Mrs. Shardamma	Survey No. 24/2, Maruthi Farm, Domrahalli, Lakshmipura Post, Bangalore North -562 162	3 years	Depot
6.	Lease Deed dated July 1, 2021	Mrs. Priya Ralhan	C-1, Shri Ganpaty Plaza No. 1, Block C, Temple Colony, Auchandi Road, Samayapur, Delhi – 110 042	11 months	Depot
7.	Tenancy Agreement dated March 1, 2020	Mahadev Enterprises	Ground Floor, Turner Road, Cossipur, Kolkata – 700 002	33 months	Depot
8.	Rent Agreement dated September 20, 2019	Mrs. Brijlata Mantri	Industrial Shed, Municipal No. 4-A, Khandelwal Nagar, Village Chitawad, Indore	59 months	Depot

In addition, we hold commercial premises No. 501 admeasuring about 3745.20 square feet (carpet) on the 5th Floor of the building known as "Business Square" in Wing-C, CTS No. 131/A, Andheri East, Mumbai – 400 093, Maharashtra, India on ownership basis acquired by our Company vide Agreement for Sale dated November 09, 2020 from Glitorium (India) Private Limited. These premises are currently under renovation and are proposed to be operational by end of 2021.

We have recently in July 2021, entered into Leave & License Agreements with our Promoters in respect of factory premises, registered office and administration office. Prior to this, our Company did not have any formal written arrangement with our Promoters in respect of the aforesaid premises and consequently no rent/ license fee was being paid by us. A comparative analysis of the material commercial terms (pre and post execution of the agreements) and prevailing market rates in respect of such premises is given below:

Sr. No.	Particulars	Monthly License Fee (per sq. ft.)		Approx. Prevailing Market Rental Rate
		Pre July 2021	Post July 2021	
1.	Registered Office	*Nil*	Rs. 125/-	Rs. 120/- to 140/-
2.	Administrative Office	*Nil*	Rs. 100/-	Rs. 120/- to 140/-
3.	Existing Facility	*Nil*	Rs. 5.05/-	Rs. 6/- to 10/-
4.	Additional Unit	*Nil*	Rs. 5.05/-	Rs. 6/- to 10/-

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is an overview of certain laws and regulations in India, which are relevant to our Company. The information in this section has been obtained from various legislations, including rules, regulations and policies promulgated by regulatory and statutory bodies, which are available in the public domain. The description of laws, regulations and policies set out below is not exhaustive and is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Legal Metrology Act, 2009 (the "Legal Metrology Act")

The Legal Metrology Act, 2009, as amended aims to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. Any transaction/contract relating to goods/class of goods or undertakings shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in rules by each state.

Labour Laws

Factories Act, 1948

The Factories Act, 1948, as amended (the "Factories Act"), defines a "factory" to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of the business activities:

(i) Industrial Disputes Act, 1947.
(ii) Minimum Wages Act, 1948 and Minimum Wages (Gujarat) Rules, 1961.
(iii) Payment of Bonus Act, 1965.
(iv) Payment of Gratuity Act, 1972.
(v) Payment of Wages Act, 1936.
(vi) Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
(vii) Employees' State Insurance Act, 1948.
(viii) The Industrial Employment Standing Orders Act, 1946.
(ix) Maternity Benefit Act, 1961.
(x) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
(xi) Contract Labour (Regulation and Abolition) Act, 1970.
(xii) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
(xiii) Employees' Compensation Act, 1923.
(xiv) The Child Labour (Prohibition and Regulation) Act, 1986.

(xv) The Equal Remuneration Act, 1976.
(xvi) The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001.
(xvii) Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996.

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 Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

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. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganised workers, gig workers and platform workers.

Environmental Laws

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("PCBs"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The PCBs are responsible for setting the standards for maintenance of

clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are required to be periodically renewed.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board ("State PCB"). The Water Act also provides that the consent of the State PCB must be obtained prior to establishing any industry, operation or process or any treatment and disposal system, opening of any new outlets or making any new discharges, which are likely to discharge sewage or effluent.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act requires that all persons responsible for emitting smoke or gases must apply in a prescribed form and obtain consent from the State PCB prior to establishing or operating any industrial plant in an air pollution control area. The State PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to, inter-alia, specifications of pollution control equipment to be installed.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules define the term 'hazardous waste' to include any waste which by reason of physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive characteristics cause danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances including waste specified in the schedules to the Hazardous Waste Rules. In terms of the Hazardous Waste Rules, occupiers, being persons who have control over the affairs of a factory or premises or any person in possession of hazardous or other waste, have been, inter alia, made responsible for safe and environmentally sound management of hazardous and other wastes generated in their establishments and are required to obtain license/ authorisation from the respective State PCB for handling, generation, collection, storage, packaging, transportation, usage, treatment, processing, recycling, recovery, pre-processing, co-processing, utilising, selling, transferring or disposing hazardous or other waste.

Regulations Related to Foreign Trade

The foreign policy of India is governed and regulated by the Foreign Trade (Development and Regulation) Act, 1992 (the "Foreign Trade Act"). The Foreign Trade Act has empowered the Central Government to make provisions for the development as well as regulation of foreign trade by the way of facilitating imports into as well as augmenting exports from the country and in all the other matters related to foreign trade. It authorises the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The Foreign Trade Act provides for certain appointments especially that of the Director-General to advise the Central Government in formulating import and export policy and to implement the same. Further, the Foreign Trade Act requires every importer as well as exporter to obtain a code number called the Importer Exporter Code Number (IEC) from the Director-General or the authorised officer.

The Foreign Trade Act provides the balancing of all the budgetary targets in terms of imports and exports. The principal objectives here include the facilitation of sustain growth as to the exports of the country, the distribution of quality goods and services to the domestic consumer at internationally

competitive prices, stimulation of sustained economic growth by providing access to essential raw materials as well as enhancement of technological strength, industry as well as services and improvement of their competitiveness to meet all kinds of requirement of the global markets.

Foreign Investment Regulations

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, as amended, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time (the "Consolidated FDI Policy").

Customs Act, 1962 ("Customs Act")

The Customs Act, as amended, regulates import of goods into and export of goods from India by providing for levy and collection of customs duties on goods in accordance with the Customs Tariff Act, 1975. Any Company requiring to import or export goods is first required to get registered under the Customs Act and obtain an Importer Exporter Code under FTDR. Customs duties are administrated by Central Board of Indirect Tax and Customs under the Ministry of Finance.

Tax Related Legislations

The Goods and Services Tax ("**GST**") is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 ("**CGST**"), relevant state's Goods and Services Act, 2017 ("**SGST**"), Union Territory Goods and Services Act, 2017 ("**UTGST**"), Integrated Goods and Services Act, 2017 ("**IGST**"), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

Further, the Income-tax Act, 1961 (the "**Income Tax Act**") is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the Income Tax Act or rules made there under depending upon its "Residential Status" and "Type of Income" involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

Professional Tax and the rules framed thereunder

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.

Shops and establishments legislations in various states

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of opening and closing hours, daily and weekly working hours, rest intervals, overtime, holidays, leave, health and safety measures, termination of service, wages for overtime work, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

The Trademarks Act, 1999 ("Trademarks Act")

Under the 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.

Other Regulations

Apart from the aforementioned enactments which is inclusive in nature and not exhaustive -general laws such as the Transfer of Property Act, 1882, Registration Act, 1908, Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, Information Technology Act, 2000, etc. are also applicable to our Company.

HISTORY AND CERTAIN CORPORATE MATTERS

History and background

Our Company was originally formed as a partnership firm under the name and style of "M/s. H.P. International" pursuant to a deed of partnership dated January 01, 1987, executed by and between late Mr. Haresh Motwani (husband of our Promoter Mrs. Anjana Haresh Motwani) and one Mrs. Seema Abhichandani. The said partnership deed has been amended and restated from time to time pursuant to admission and retirement of partners. Our Promoter Mrs. Anjana Haresh Motwani was admitted to the partnership in October 2001. Pursuant to the demise of Mr. Haresh Motwani, the Partnership Deed dated July 12, 2007 was executed between Mrs. Anjana Haresh Motwani, Mr. Karan Haresh Motwani and Dhanraj Motwani HUF. Dhanraj Motwani HUF has retired as partner of the partnership firm on vide Retirement Deed dated August 8, 2009. The partnership firm, M/s. HP International was thereafter converted into a private limited company "HP Adhesives Private Limited" on May 07, 2019, pursuant to the provisions of Chapter XXI of the Companies Act, 2013. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to "HP Adhesives Limited" pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on June 23, 2021 and a fresh Certificate of Incorporation dated July 01, 2021 issued by the RoC. The Corporate Identity Number of our Company is U24304MH2019PLC325019.

Corporate profile of our Company

For information on our Company's business profile, activities, services and managerial competence, please refer to the chapters titled "*Our Management*", "*Our Business*" and "*Industry Overview*" beginning on pages 179 , 97 and *132*, respectively of this Red Herring Prospectus.

Changes in the Registered Office of our Company since incorporation

The registered office of our Company is situated at 11, Unique House, Chakala Cross Road, Andheri East, Mumbai – 400 099, Maharashtra, India. There has been no change in the registered office of our Company since the date of its incorporation.

Key events and milestones

Year	**Key Events/ Milestone/ Achievements**
1987	Partnership Firm in the name and style of M/s. H.P. International founded by Mr. Haresh Dhanraj Motwani and Mrs. Seema Abhichandani
1988	Established manufacturing plant at Andheri East, Mumbai
2001	Reconstitution of partnership firm, M/s. H.P. International with Mr. Haresh Dhanraj Motwani and his wife, Mrs. Anjana Haresh Motwani as partners
2004	Launch of our brand 'Strong Weld'
2004	Shifted our manufacturing facility to Village Padghavalli, Raigad, Maharashtra for manufacturing of PVC solvent cement
2007	Mr. Karan Haresh Motwani, our Promoter, admitted as a Partner to the partnership firm, M/s. H.P. International
2012	Shifted our manufacturing facility to Village Narangi, Raigad, Maharashtra
2011	Received NSF International Certification for manufacturing solvent cements
2018	Commenced manufacturing synthetic rubber adhesives and PVA adhesives
2019	Commenced manufacturing of silicone sealants and gasket shellac
2019	Conversion of our business from partnership firm to private limited company
2019	Started trading in Ball Valves, PTFE and Masking Tape
2021	Conversion of our Company from private limited to public limited company

Awards, accreditation & recognitions:

Sr. No.	Certification/Awards	Issuing Authority	Certificate No.	Date of Issue	Validity
1.	ISO 9001:2008 Certification	BSI	FM 548372	March 31, 2009	May 22, 2015
2.	Certificate for NSF/ ANSI 14 compliance	NSF International	C00522–9 - 01	September 09, 2011	N.A.
3.	Registration cum Membership Certificate	EEPC India	201/M26042	September 16, 2014	March 31, 2015
4.	Authorised Economic Operator T1 Certificate	Central Board of Indirect Taxes and Customs	INAAAFH0809C 1F189	December 21, 2018	December 20, 2021
5.	Membership Certificate	Bombay Chamber of Commerce and Industry	BC/6947/O/2015	December 2015	N.A.
6.	ISO 9001:2015 Certification	AQC Middle East Fze	18IQCO30/R1	September 07, 2018	September 20, 2021
7.	Certificate of Recognition as One Star Export House	Ministry of Commerce & Industry	030121000228	May 12, 2021	May 12, 2026
8.	Certificate for NSF/ ANSI 14 compliance	NSF International	C00522–7 - 02	October 28, 2019	N.A.
9.	Certificate for NSF/ ANSI 14 compliance	NSF International	C00522–7 - 03	August 17, 2021	N.A.
10.	ISO 9001:2015 Certification	BMG Quality Certification	21ZQCM2406Q	September 27, 2021	September 26, 2024
11.	ISO 14001:2015 Certification	BMG Quality Certification	1ZQCM2407E	September 27, 2021	September 26, 2024
12.	ISO 45001:2015 Certification	BMG Quality Certification	21ZQCM2408O	September 27, 2021	September 26, 2024

Main objects of our Company

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

Manufacturers, Dealers, Traders, Exporters, Importers, Merchant Exporters Of Chemicals, Plastics, Colours, Solvent Cement, Adhesives, Sealants, Paints and Coatings, Coatings compositions, Elastomers, Binders, Varnishes, Lacquers, Construction Chemicals, Primers and Putties, Lubricants, Synthetic Rubber Glue, Synthetic Rubber Adhesives, White Glue, Shellac, Pvc Fittings, Teflon Tapes and other Tapes, Hardware Tools and Architectural and Hardware fittings, Packaging Material, Façade solutions, Cleaning Chemicals and Accessories, Car Cleaners, Polish, Wax & Car Care Accessories, Manholes, Manhole Covers, Surface Drain Channels, Underground Drain Channels, And Other Drainage Equipment, FRP products for Electrical and other applications, and/or such other business or businesses as may be required.

Changes in Memorandum of Association:

Except as stated below, there has been no change in the Memorandum of Association of our Company, in the last ten years:

Sr. No.	Particulars of Amendment	Date of General Meeting	Effective Date of Amendment
1.	Alteration of the Capital Clause: Increase in Authorized share capital of our Company from ₹ 1,00,000/- comprising of 10,000 Equity Shares of ₹10/- each to ₹ 13,00,00,000/- comprising of 1,30,00,000 Equity Shares of ₹ 10/- each	June 21, 2019	June 21, 2019
2.	Alteration of the Capital Clause: Increase in Authorized share capital of our Company from ₹ 13,00,00,000/- comprising of 1,30,00,000 Equity Shares of ₹ 10/- each to ₹ 20,00,00,000/- comprising of 2,00,00,000 Equity Shares of ₹ 10/- each	April 13, 2021	April 13, 2021
3.	Alteration of the Name Clause: Conversion from Private Limited Company into Public Limited Company	June 23, 2021	July 01, 2021
4.	Alteration of the Main Objects Clause: Clause III(A) of the MOA was amended to the existing sub-clause	July 06, 2021	September 28, 2021

Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets etc.

There are no mergers, amalgamation, revaluation of assets etc. with respect to our Company in the last 10 (ten) years.

Defaults or rescheduling of borrowing with financial institutions/ banks

There have been no defaults or rescheduling of borrowings with any financial institutions/ banks as on the date of the Red Herring Prospectus.

Number of shareholders of our Company

Our Company has 9 (nine) shareholders as on the date of filing of this Red Herring Prospectus.

Shareholders agreement and other agreements

Our Company has not entered into any shareholders agreements and other agreements, other than the agreements entered into by it in ordinary course of its business as on the date of this Red Herring Prospectus. There are no inter-se agreements/ arrangements between the shareholders of the Company. Further, there are no other inter se agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed and that there are no other clauses / covenants which are adverse/ pre-judicial to the interest of the minority / public shareholders. Further, there are no other agreements, deed of assignments, acquisition agreements, shareholders agreements, inter-se agreements, agreements of like nature other than disclosed in the RHP.

Non-Compete agreement

Our Company has not entered into any Non-compete Agreement as on the date of filing this Red Herring Prospectus.

Agreements with strategic partners, joint venture partners and/ or financial partners and other agreements

There are no existing material agreements with strategic partner, joint venture and/or financial partners or other material agreements entered into by our Company.

Details of holding company

As on the date of this Red Herring Prospectus, our Company does not have any holding company.

Details of subsidiary or associate company

As on the date of this Red Herring Prospectus, our Company does not have any subsidiary or associate company.

Time and cost overruns in setting-up projects

There have been no instances of time and cost over-runs in respect of our business operations.

Launch of key products or services, entry or exit in new geographies

For details of launch of key products or services, entry in new geographies or exit from existing markets, please refer to the chapter *"Our Business"* on page 150 of this Red Herring Prospectus.

Lock-out or strikes

There have been no lock-outs or strikes in our Company since inception.

Changes in the activities of our Company during the last five years

There has been no change in the business activities of our Company during the last five years from the date of this Red Herring Prospectus which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Changes in the management

For details of change in Management, please see the section 'Changes in our Board during the last three years' in the chapter titled "*Our Management*" on page 186 of this Red Herring Prospectus.

Changes in accounting policies in last three (3) years

There have been no changes in accounting policies of our Company in last three years.

Guarantees provided by our Promoters

Except as disclosed in the chapter titled *"Financial Indebtedness"* on page 291 of this Red Herring Prospectus our Promoters and Selling Shareholder have not given any guarantees to third parties that are outstanding as on the date of filing of this Red Herring Prospectus.

Special Rights

None of the special rights available to the Promoters/ Shareholders (except for nominee/ nomination rights and information rights) would survive post listing of the Equity Shares of the Company and same shall cease to exist or shall expire/ waived off immediately before or on the date shares are allotted to public shareholders in IPO, without requiring any further action.

OUR MANAGEMENT

Our Company currently has five directors on its Board comprising of including three independent directors and two executive directors. One of our five directors is woman director. For details on the strength of our Board, as permitted and required under the Articles of Association, see "*Main Provisions of Articles of Association*" on page 361 of this Red Herring Prospectus.

Our Board

The following table sets forth details regarding our Board of Directors as on the date of filing of this RHP:

Name, Designation, Address, Occupation, Period of Directorship, Nationality, Term, Date of Birth and DIN	Age (years)	Other Directorships
Anjana Haresh Motwani *Designation:* Executive Director & Chairperson *Address:* 13, Udadhi Tarang, Juhu Road, Juhu, Mumbai – 400 049, Maharashtra, India. *Occupation*: Business *Date of Appointment:* May 07, 2019 *Period of Directorship*: Director since May 07, 2019 *Nationality:* Indian *Term:* Liable to retire by rotation *Date of Birth*: March 15, 1956 *DIN:* 02650184	65	**Public Limited Companies**: ▪ HP International Limited **Private Limited Companies**: ▪ HDM Estates Private Limited **Foreign Companies:** ▪ Nil **Limited Liability Partnerships:** ▪ HP Composites LLP
Karan Haresh Motwani *Designation:* Managing Director *Address:* 12/A, Udadhi Tarang, Juhu Tara Road, Next to J.W Marriot, Juhu, Mumbai – 400 049, Maharashtra, India. *Occupation*: Business *Date of Original Appointment:* May 07, 2019 *Date of appointment at current designation:* May 01, 2021	36	**Public Limited Companies**: ▪ HP International Limited **Private Limited Companies**: ▪ HDM Estates Private Limited **Foreign Companies:** ▪ Nil **Limited Liability**

Name, Designation, Address, Occupation, Period of Directorship, Nationality, Term, Date of Birth and DIN	Age (years)	Other Directorships
Period of Directorship: Director since May 07, 2019 *Nationality:* Indian *Term:* 5 years w.e.f. May 1, 2021 and liable to retire by rotation *Date of Birth*: September 09, 1985 *DIN:* 02650089		**Partnerships:** ▪ HP Composites LLP
Surendra Kumar Mehta *Designation:* Non-executive Independent Director *Address:* Flat No.701, Tirupati Balaji Towers, Sarojini Road, Santacruz (West), Mumbai – 400054. *Occupation*: Professional *Date of Appointment:* June 23, 2021 *Period of Directorship*: Director since June 23, 2021 *Nationality:* Indian *Term:* 5 years w.e.f. June 23, 2021 *Date of Birth*: October 06, 1963 *DIN:* 09211358	58	NIL
Rajendra Kumar Jain *Designation:* Non-executive Independent Director *Address:* 5-A-25, R.C. Vyas Colony, Bhilwara, Rajasthan – 311001. *Occupation*: Professional *Date of Appointment:* July 5, 2021 *Period of Directorship*: Director since July 5, 2021 *Nationality:* Indian	55	**Public Limited Companies**: ▪ G R Infraprojects Limited **Private Limited Companies**: ▪ Corporate Global Services Private Limited **Foreign Companies:** ▪ Nil **Limited Liability**

Name, Designation, Address, Occupation, Period of Directorship, Nationality, Term, Date of Birth and DIN	Age (years)	Other Directorships
Term: 5 years w.e.f. July 5, 2021 *Date of Birth*: July 5, 1966 *DIN:* 00144095		**Partnerships:** ▪ Nil
Ajeet Anant Walavalkar *Designation:* Non-executive Independent Director *Address:* Kumar Peninsula CHS, Baner-Pashan Link Road, Near HDFC Bank, Pashan, Pune – 411021. *Occupation*: Professional *Date of Appointment:* July 5, 2021 *Period of Directorship*: Director since July 5, 2021 *Nationality:* Indian *Term:* Up to July 4, 2026 *Date of Birth*: February 26, 1956 *DIN:* 09226644	65	NIL

Brief profiles of our Directors

Anjana Haresh Motwani, with over 40 years of experience in the adhesive industry, currently designated as the Executive Director and Chairperson of our Company. She holds a bachelors' degree in Arts (Special) and diploma in Administrative Management from University of Bombay and a diploma in Export Business Management from Indian International Trade Center, Bombay. In 1979, she founded M/s. Hindustan Plastics, sole proprietorship concern, for manufacturing solvent cement. Subsequently, she was admitted as a partner to M/s. HP International in 2001. Post 2007, she has been leading the operations of M/s. HP International. She has been instrumental in the growth and development of our Company.

Karan Haresh Motwani currently holds the position of Managing Director of our Company. He has completed Bachelor of Management Studies from Narsee Monjee Institute of Management Studies, Mumbai and the Post Graduate Programme in Management from S.P. Jain Institute of Management & Research, Mumbai. He was admitted to the partnership M/s. HP International in 2007 and has since played a key role in growing the business including introducing new products and expansion of distribution network. He plays a crucial role in devising our growth strategy and executing our vision.

Surendra Kumar Mehta is a Non-executive and Independent Director of our Company. He has is a qualified chartered accountant and company secretary. He has over three decades of cross-functional experience in manufacturing, service and IT industry. He has served as an Arbitrator on the Arbitration

Panel of BSE Limited. He has worked with ACC Limited as Head – Business Excellence, iGATE as Vice President – Finance, IGE (India) Limited as Chief Financial Officer and Company Secretary, Gontermann Peipers India Limited as General Manager – Projects. He has been a director on our Board since June 23, 2021.

Rajendra Kumar Jain is a Non-executive and Independent Director of our Company. He holds a bachelor's degree in commerce from Rajasthan University and a master's degree in commerce (specializing in business administration) from Maharshi Dayanand Saraswati University, Ajmer. He is a fellow member of The Institute of Company Secretaries of India. He also holds law degree from University of Ajmer. Presently, he is action as the Secretary General of Mewar Chamber of Commerce & Industry since 2017 (a recognized divisional chamber of south Rajasthan). He has over 17 years of experience as a practicing company secretary. He is a director on our Board since July 05, 2021.

Ajeet Anant Walavalkar is a Non-executive and Independent Director of our Company. He holds a bachelor's degree in engineering of electrical from University of Poona. Previously he has worked with Siemens India Limited as project engineer. He currently holds the position of as General Manager (Corporate) of Electrical Operations to Bahwan Engineering Co. LLC. Previously, he also worked with Siemens India Limited as Project Engineer. He has been a director on our Board since July 05, 2021.

Family Relationships between the Directors

None of the directors are related to each other in terms of the definition of 'relative' under Section 2 (77) of the Companies Act, except as set out below:

Name	Relationship
Mrs. Anjana Haresh Motwani and Mr. Karan Haresh Motwani	Mother – Son

Remuneration details of our Directors

Remuneration details of our Executive Directors

1. Anjana Haresh Motwani is the Promoter and Executive Director of our Company. She is a director on our Board since incorporation. Pursuant to a resolution passed by our Board of Directors on July 05, 2021, Mrs. Motwani has been appointed as the Chairperson of the Board.

Mrs. Motwani has entered into an employment agreement dated May 08, 2019 which includes details of her remuneration. The significant terms of her remuneration, as appraised as on May 01, 2021, are set out below:

Particulars	Remuneration (₹)
Salary	₹ 36.93 Lakhs p.a.*
Basic Salary	₹ 1,20,000 per month
House Rent Allowance	₹ 60,000 per month
Conveyance Allowance	₹ 1,600 per month
Special Allowance	₹ 1,18,400 per month
Remuneration paid for F.Y. 2020-21	₹18.60 Lakhs
*Other benefits like Gratuity, Provident Fund, Leave, Medical Insurance etc. as applicable to the employees of the company	

**Annual increments are not automatic and will be granted solely at the discretion of the Management, after confirmation.*

2. Karan Haresh Motwani is the Promoter and Managing Director of our Company. He was appointed as our Executive Director with effect from the date of incorporation i.e., May 07, 2019.

He was re-designated as the Managing Director of our Company for a period of 5 (five) years commencing from May 01, 2021.

The significant terms of his remuneration are set out below:

Particulars	Remuneration (₹)
Salary	₹ 85.85 Lakhs p.a.*
Basic Salary	₹ 2,80,000/- per month
House Rent Allowance	₹ 1,40,000/- per month
Conveyance Allowance	₹ 1,600/- per month
Special Allowance	₹ 2,78400/- per month
Remuneration paid for F.Y. 2020-21	₹27.91 Lakhs
*Other benefits like Gratuity, Provident Fund, Leave, Medical Insurance etc. as applicable to the employees of the company	

*Annual increments are not automatic and will be granted solely at the discretion of the Management, after confirmation.

Remuneration details of our non-executive directors and independent directors

Pursuant to the resolution of our Board dated July 07, 2021, our non-executive directors and independent directors are entitled to receive a sitting fee of ₹ 35,000/- and ₹ 25,000/- for attending each meeting of our Board and a Committee, respectively, as may be decided by the Board. As there were no non-executive or independent directors on our Board till FYE 2020-21, our Company has not paid any sitting fees since incorporation.

Payment or benefits to officers of our Company (non-salary related)

Except as stated under "Remuneration details of our executive directors" and "Remuneration details of our non-executive directors and independent directors", no amount or benefit has been paid or given in the last two (2) years preceding the date of this Red Herring Prospectus to any officer of our Company including our Directors and key management personnel.

For further details, please refer to the chapter titled "*Financial Information- Annexure XXV - Related Party Transactions*" on page 208 of this Red Herring Prospectus.

Bonus or profit-sharing plan for the directors and Key Managerial Personnel ("*KMP*")

Other that the performance-linked variable component of their remuneration, there is no bonus or profit-sharing plan for the Directors and Key Management Personnel of our Company.

Shareholding of our directors

Except as mentioned below, none of the directors hold equity shares in our Company as on the date of this Red Herring Prospectus:

	Pre- Offer	
Particulars	**Number of Shares**	**Percentage (%) holding**
Anjana Haresh Motwani	71,97,335	50.56
Karan Haresh Motwani	63,70,000	44.75
Total	**1,35,67,335**	**95.31**

Service contracts with directors

There are no service contracts entered into with any of our directors which provide for any benefit upon termination of employment.

Arrangements with major shareholders, customers, suppliers or others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the directors or KMPs were selected as a director or KMP or member of a senior management as on the date of this Red Herring Prospectus

Appointment of relatives of our directors to any office or place of profit

Except Ms. Nidhi Haresh Motwani holding the position of Vice President – Operations of our Company, none of the relatives of our directors currently hold any office or place of profit in our Company.

Interest of our directors

Our Directors are interested in our Company in the following manner:

(i) Our Promoter Directors namely Mrs. Anjana Haresh Motwani and Mr. Karan Haresh Motwani, may be deemed to be interested in the promotion of our Company.

(ii) Our Directors may be deemed as interested in our Company to the extent of the equity shares held by them or any equity shares that may be subscribed by or allotted to them from time to time. For further details, please refer to chapter titled *"Our Management – Shareholding of directors in our Company"* and *"Capital Structure"* beginning on pages 179 and 82 respectively of this Red Herring Prospectus. Our Directors may also be deemed to be interested to the extent of any dividend, if any, payable and other distributions in respect of the equity shares held by them

(iii) Our non-executive directors and independent directors may be deemed to be interested in our Company to the extent of fees payable to them for attending meetings of our Board or committees thereof and reimbursement of expenses payable pursuant to our Articles of Association

(iv) Our executive directors may be deemed to be interested in our Company to the extent of remuneration payable to them and reimbursement of expenses payable pursuant to our Articles of Association

(v) Mrs. Anjana Haresh Motwani, Promoter and Executive Director, and Mr. Karan Haresh Motwani, Promoter and Managing Director have extended personal guarantees and given their personal assets as collateral security (as provided below) in favor of ICICI Bank Limited and IndusInd Bank Limited to secure the loans of up to Rs. 1949.86 Lakhs and Rs. 2200 Lakhs availed by the Company and may deemed to be interested to that extent:

Sr. No.	Name of Owner	Description of Collateral Security
1.	Mrs. Anjana Motwani and Mr. Karan Motwani	Survey No. 7, Hissa No. 7/14/A/1, 7/14/B/1, 7/14/B/2, Village Narangi, Taluka Khalapur, District Raigad, Maharashtra

Sr. No.	Name of Owner	Description of Collateral Security
2.	HP Trading – Mr. Karan Motwani	Flat No 102, Usha Kunj Building, Santacruz West, Juhu Tara Road, Mumbai, Maharashtra

(vi) All the Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any company in which they hold directorships or shareholdings as declared in their respective declarations;

(vii) Our Directors, Mrs. Anjana Haresh Motwani and Mr. Karan Haresh Motwani have accorded consent to our Company for use and occupation of the premises situated at:

a. 11, Unique House, Chakala Cross Road, Andheri East, Mumbai – 400 099, India and owned by them as our registered office and shall be deemed to be interested up to that extent;

b. 213, Unique House, Chakala Cross Road, Andheri East, Mumbai – 400 099, India and owned by them as our administrative office and shall be deemed to be interested up to that extent;

c. Survey No. 7, Village Narangi, Taluka Khalapur, District Raigad, Maharashtra, India and owned by them as our factory premises and shall be deemed to be interested up to that extent;

Except as disclosed above, our Directors have no interest in any property acquired or proposed to be acquired by our Company two (2) years prior to the date of this Red Herring Prospectus

(viii) None of our Directors have availed any loan from our Company. None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

Director's association with the securities market

We confirm that none of our directors are associated with the securities market.

Confirmations

None of the abovementioned Directors are debarred from accessing the capital market by the SEBI nor are they promoter or director of any other company which is debarred from accessing the capital market by SEBI.

None of the abovementioned Directors are on the RBI list of Wilful Defaulters as on the date of filing of this Red Herring Prospectus.

None of the abovementioned Directors have been declared a Fugitive Economic Offender under section 12 of the Fugitive Economic Offender Act, 2018.

Our Directors are not and were not, during the five years preceding the date of this Red Herring Prospectus, been on the board of any listed company whose shares have been or were suspended from being traded on the BSE or NSE during their term of directorship in such company.

None of our Directors were or are directors on the board of listed companies which have been or were delisted from any stock exchange(s) during their term of directorship in such company.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a director, or otherwise for services rendered

by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

Neither our Company nor the Directors and our Promoters/ Promoter Group have been declared as "Fraudulent Borrowers" by the lending banks or financial institutions or consortium, in terms of RBI master circular dated July 01, 2016.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Red Herring Prospectus are as follows:

Name of Director	Date of Change	Reason for Change
Anjana Haresh Motwani	May 07, 2019	Appointment as Executive Director on incorporation
Karan Haresh Motwani	May 07, 2019	Appointment as Executive Director on incorporation
Karan Haresh Motwani	May 01, 2021	Redesignation as Managing Director
Surendra Kumar Mehta	June 23, 2021	Appointment as Independent Director
Rajendra Kumar Jain	July 05, 2021	Appointment as Independent Director
Ajeet Anant Walavalkar	July 05, 2021	Appointment as Independent Director

Borrowing Powers

The Articles, subject to the provisions of the Companies Act, 2013, authorize the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders have, pursuant to a resolution passed at the general meeting held on September 28, 2020 authorized the Board to borrow, enhance and grant facility for the general, working capital and such other corporate purposes, from time to time as the board may think fit, any sum or sums of money which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose, provided that the total amount of money so borrowed shall not at any time exceed the limit of ₹100,00,00,000/- (Rupees One Hundred Crores only) on such terms and conditions as the Board may deem fit.

Further the Board has been authorized to mortgage/ charge/ hypothecate all or any of the immoveable or moveable properties of the Company including under hire purchase scheme both present and future and/ or whole or substantially the whole of the undertaking or undertakings of the Company on such terms and conditions as the Board may deem fit, for securing any loans and/or advances already obtained or that may be obtained from bank(s), financial institution(s), others, entities or any combination thereof from time to time and at any time and in one or more tranches. However, the total underlying charge created/to be created shall not exceed ₹100,00,00,000/- (Rupees One Hundred Crores only) at any time.

Corporate Governance

The provisions of Listing Agreement to be entered into with the Stock Exchange(s) and the applicable regulations of SEBI LODR Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We believe we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with Stock Exchange(s), the SEBI LODR Regulations, the SEBI ICDR Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof. The

corporate governance framework is based on an effective independent Board, separation of the board's supervisory role from the executive management team and constitution of the Board committees, each as required under law.

Our Board of Directors is constituted in compliance with the Companies Act, 2013 and the SEBI LODR Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has 5 (five) directors. In compliance with the requirements of the Companies Act & Regulation 17 of the SEBI LODR Regulations, we have 2 (two) executive directors, one of whom is also the Managing Director of our Company and 3 (three) non-executive independent directors 1 (one) of our directors is a woman director.

Committee of the Board in accordance with the SEBI LODR Regulations and other applicable laws:

In terms of the SEBI LODR Regulations and the provisions of the Companies Act, 2013 or other applicable laws, our Company has constituted the following Board-level committees:

(i) Audit Committee;
(ii) Nomination and Remuneration Committee;
(iii) Stakeholders' Relationship Committee.
For the purposes of the IPO, the Board has also constituted an IPO Committee.

Audit Committee

The Audit Committee currently consists of:

Name	Position in the Committee	Designation
Mr. Surendra Kumar Mehta	Chairman	Non-Executive Independent Director
Mr. Rajendra Kumar Jain	Member	Non-Executive Independent Director
Mr. Karan Haresh Motwani	Member	Managing Director

Our Audit Committee was constituted by a resolution of our Board dated July 07, 2021, in compliance with the Companies Act, 2013 and SEBI LODR Regulations. The role of the Audit Committee shall be in accordance with section 177 of the Companies Act, 2013 and as per Regulation 18 and Part C of Schedule II of SEBI LODR Regulations. The role of the Audit Committee include the following:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approve payment to statutory auditors for any other services rendered by the statutory auditors;
4. review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   b) changes, if any, in accounting policies and practices and reasons for the same;
   c) major accounting entries involving estimates based on the exercise of judgment by management;
   d) significant adjustments made in the financial statements arising out of audit findings;
   e) compliance with listing and other legal requirements relating to financial statements;

f) disclosure of any related party transactions;
g) modified opinion(s) in the draft audit report;

5. review, with the management, the quarterly financial statements before submission to the board for approval;
6. review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Subject to and conditional upon approval of our Board, approval of related party transactions or subsequent modifications thereto. Such approval can be in the form of omnibus approval of related party transactions, subject to conditions not inconsistent with the conditions specified in Regulation 23(2) and Regulation 23(3) of the SEBI LODR Regulations;
9. Subject to review by our Board, review on quarterly basis, of related party transactions entered into by our Company pursuant to each omnibus approval given pursuant to 6 above;

   Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI LODR Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
10. scrutinize inter-corporate loans and investments;
11. valuation of undertakings or assets of the Company, wherever it is necessary;
12. evaluation of internal financial controls and risk management systems;
13. review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. review 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;
15. discussion with internal auditors of any significant findings and follow up there on;
16. review 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;
17. 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;
18. 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;
19. to review the functioning of the whistle blower mechanism;
20. Oversee the procedures and processes established to attend to issues relating to the maintenance of books of accounts, administrations procedures, transactions and other matters having a bearing on the financial position of our company, whether raised by the auditors or by any other person;
21. Act as a compliance committee to discuss the level of compliance in our Company and any associated risks and to monitor and report to the Board on any significant compliance breaches;
22. Approve the appointment of chief financial officer (i.e the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
23. Oversee the vigil mechanism established by our Company and the chairman of audit committee shall directly hear grievances of victimization of employees and directors, who use vigil mechanism to report genuine concerns; and
24. Carrying out any other function as is mentioned in the terms of reference of the audit committee and any other terms of references as may be decided by the board of directors of our company or specified/provided under the Companies Act, 2013 or by the SEBI LODR Regulations or by any other regulatory authority.

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:
    - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The powers of the Audit Committee are as mentioned below:

1. to investigate any activity within its terms of reference;
2. to seek information from any employee of our Company;
3. to obtain outside legal or other professional advice; and
4. to secure attendance of outsiders with relevant expertise, if it considers necessary.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee currently consists of:

Name	Position in the Committee	Designation
Mr. Surendra Kumar Mehta	Chairman	Non-Executive Independent Director
Mr. Rajendra Kumar Jain	Member	Non-Executive Independent Director
Mr. Ajeet Anant Walavalkar	Member	Non-Executive Independent Director

The Nomination and Remuneration Committee was constituted by a resolution of our Board dated July 07, 2021, in compliance with Section 178 of the Companies Act, 2013 and as per Regulation 19 of SEBI LODR Regulations.

The role of the Nomination and Remuneration shall be in accordance with Section 178 of the Companies Act and as per Regulation 19 of SEBI LODR Regulations The terms of reference of the Nomination and Remuneration Committee include the following:

a) Formulating and recommending to the Board of Directors for its approval and also to review from time to time, a nomination and remuneration policy or processes, as may be required pursuant to the provisions of the Companies Act;
b) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
c) identifying persons who are qualified to become directors and persons who may be appointed in senior management position in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
d) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
e) formulation of criteria for evaluation of performance of independent directors and the board of directors;
f) recommending to the board, all remuneration, in whatever form, payable to senior management.

g) recommending to the Board, qualifications, appointment, remuneration and removal of Directors, key management personnel and persons in senior management positions in accordance with the nomination and remuneration policy;
h) devising a policy on diversity of board of directors;
i) carrying out performance evaluation of every Director in accordance with the nomination and remuneration policy;
j) considering grant of stock options to the eligible Directors, formulating detailed terms and conditions of employee stock option scheme and administering and exercising superintendence over employee stock option schemes;
k) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure / policy;
l) performing such other activities as may be delegated by the Board or specified or provided under the Companies Act, 2013 or the SEBI LODR Regulations, and the rules and regulations made thereunder or other applicable law, including any amendments thereto as may be made from time to time.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee currently comprises:

Name	Position in the Committee	Designation
Mr. Surendra Kumar Mehta	Chairman	Non-Executive Independent Director
Mr. Rajendra Kumar Jain	Member	Non-Executive Independent Director
Mr. Ajeet Anant Walavalkar	Member	Non-Executive Independent Director

Our Stakeholders' Relationship Committee was constituted by a resolution of our Board dated July 07, 2021, in compliance with Section 178 of the Companies Act.

The Stakeholders Relationship Committee shall oversee all the matters pertaining to investors of our Company. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

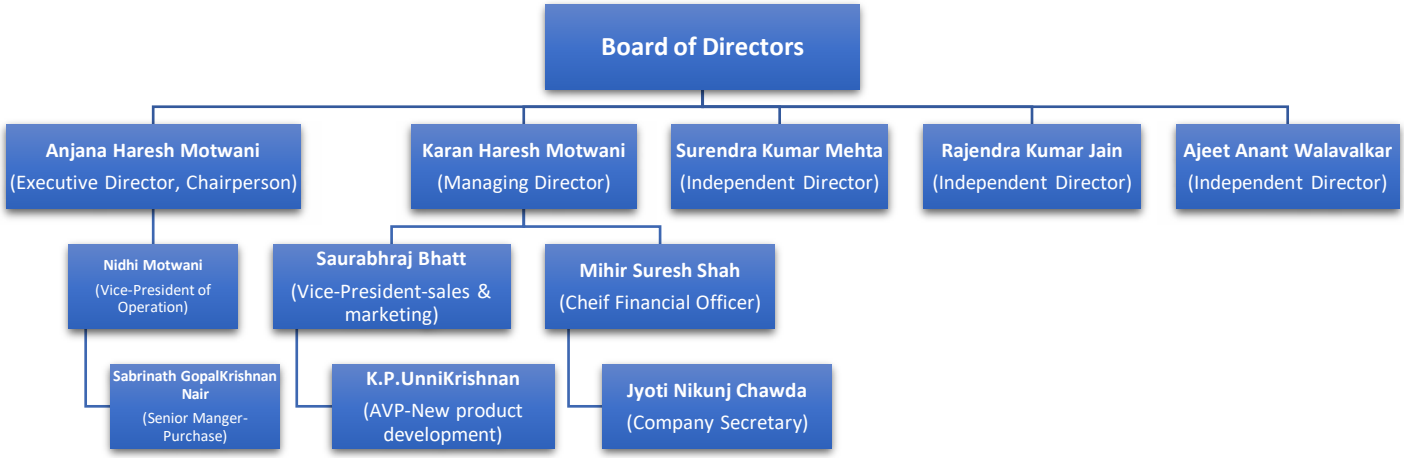
a) Consider and resolve the grievances of security holders of the Company including Investors' Complaints;
b) Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lien of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized;
c) Redressing of shareholders and investors complaints such as non-receipt of declared dividend, annual report, transfer of Equity shares and issue of duplicate / split / consolidated share certificates;
d) Monitoring transfers, transmissions, dematerialization, rematerialization, 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;
e) Reference to statutory and regulatory authorities regarding investor grievances;
f) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances; and
g) Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted meeting.
h) To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

Other committees

(i) Internal Complaints Committee for redressal of sexual harassment complaints

In addition to the committees of our Board detailed above, our Board may, from time to time, constitute committees for various functions.

Management Organization Structure



Key Management Personnel

Mr. Karan Motwani, our Managing Director, Mr. Mihir Suresh Shah, our chief financial officer, and Ms. Jyoti Nikunj Chawda, our company secretary & compliance officer are the Key Managerial Personnel of our Company as defined in Section 2(51) of the Companies Act, 2013.

All the Key Management Personnel are permanent employees of our Company. The details of key management personnel as on the date of this Red Herring Prospectus are as follows:

Brief profiles of our Key Management Personnel

For a brief profile of Mr. Karan Motwani, see "*Our Management - Brief Profiles of our Directors*" beginning on page 179 of this Red Herring Prospectus.

The details of our other Key Management Personnel as of the date of this Red Herring Prospectus are set forth below:

Mr. Mihir Shah, aged 38 years, is the chief financial officer of our Company. He has been associated with our Company since May 2021 and has been appointed as the chief financial officer of the Company w.e.f. July 05, 2021. He holds a bachelor's degree in commerce from Narsee Monjee College of Commerce & Economics, Mumbai and master's degree in management studies from Jamnalal Bajaj Institute of Management Studies, Mumbai. He has an overall experience of nearly 15 years in investment banking. Prior to joining our Company, he has worked with Acquizon Advisory Private Limited as Director, Investment Banking from April 2017 until May 2021. He has also worked with Ladder-up Corporate Advisory Private Limited as Vice President – Investment Banking, Money

Matters Financial Services Limited as Vice President – Investment Banking and Kotak Mahindra Capital Company Limited as Associate – Special Situations team. He was not associated with our Company during the last financial year and therefore, no remuneration has been paid to him for such period. He is entitled to a remuneration of ₹ 36 Lakhs p.a. salary for the FY 2021-22.

Ms. Jyoti Nikunj Chawda, aged 32 years, is the Company Secretary & Compliance Officer of our Company. She has been appointed as the Company Secretary & Compliance Officer w.e.f. July 5, 2021. She is commerce and law graduate from the University of Mumbai and is an associate member of the Institute of Company Secretaries of India (ICSI). She has an overall experience of nearly 7 years in secretarial and compliance functions. Prior to joining our Company, she has worked with Man Industries (India) Limited as Assistant Manager – Secretarial, Kridhan Infra Limited as Company Secretary and Innergize Solutions Private Limited as Assistant Company Secretary. She was not associated with the Company during the last financial year and hence, no remuneration has been paid to her for such period. She is entitled to a remuneration of ₹ 9,00,006/- for the FY 2021-22.

Brief Profiles of our Senior Management Personnel:

Ms. Nidhi Haresh Motwani is the Vice President – Operations of our Company, She has been associated with our Company since February, 2016. She holds a master's degree in Global Business (Contemporary Marketing) from SP Jain School of Global Management, Mumbai and bachelor's degree in business administration from Narsee Monjee Institute of Management Studies, Mumbai. She has an overall experience of 10 years in the fields of branding, marketing and sales. She handles the operations and marketing activities of our Company. Previously she has worked with India Philip Morris as Brand Connector, Suzlon Energy Limited as Team Leader and Godfry Philips India Limited as Brand Connector.

Mr. Saurabhraj Bhatt is the Vice President – Sales and Marketing, of our Company. He has been associated with our Company since September 2020. He holds a master's degree in Marketing Management from the University of Mumbai and bachelor's degree in Commerce from Gujarat University. He has an overall experience of about 22 years in sales & marketing, business development, product promotion and client relationship management across various industries including pharmaceuticals, paint and adhesives. He handles the product promotion, branding, sales and marketing functions of our Company. He has worked with SRF Limited as Deputy General Manager, Pidilite Industries Limited as Regional Sales Manager, Tidal Laboratories Private Limited as Regional Business Manager, Sigma Laboratories Private Limited as District Sales Manager and Sun Pharmaceutical India Limited as Medical Representative.

Mr. K. P. Unnikrishnan is the Assistant Vice President – New Product Development of our Company. He has been associated with our Company since May 2017. He holds master's degree in commerce from Osmania University, bachelor's degree in commerce from University of Calicut and post-graduate in marketing management from Jamnalal Bajaj Institute of Management, University of Bombay. He has a multi-functional experience of 36 years in sales & marketing, business development, product management in the manufacturing sector.

Mr. Sabrinath Gopalkrishnan Nair is the Senior Manager – Purchase of our Company. He has been associated with our Company since September 2015. He holds bachelor's degree in commerce from Osmania University, diploma in business management from Prin. L. N. Welingkar Institute of Management Development & Research and has completed trainings in finance management and SAP – Supply Chain Management. He has an experience of over 28 years in accounts, inventory control and logistics operations.

Relationship among Key Management Personnel and among Key Management Personnel and Directors

Other than as described below, our Key Management Personnel are neither related to each other nor related to any of the directors:

Name	Relationship
Mrs. Anjana Haresh Motwani and Mr. Karan Haresh Motwani	Mother – Son
Mrs. Anjana Haresh Motwani and Ms. Nidhi Haresh Motwani	Mother – Daughter
Mr. Karan Haresh Motwani and Ms. Nidhi Haresh Motwani	Brother – Sister

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Management Personnel have been appointed.

Bonus or profit-sharing plan for the Key Management Personnel

Other that the performance-linked variable component of their remuneration, there is no bonus or profit-sharing plan for the Key Management Personnel of our Company.

Shareholding of Key Management Personnel

Except as disclosed under '*Our Management – Shareholding of directors in our Company',* none of our Key Management Personnel hold any equity shares as on the date of this Red Herring Prospectus.

Interest of Key Management Personnel

Other than as disclosed in this Offer Document, none of the Key Management Personnel of our Company have any interests in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business

No loans have been availed by the Key Management Personnel from our Company as on date of this filing of this Red Herring Prospectus.

Except Mr. Karan Haresh Motwani, Promoter of our Company, and Ms. Nidhi Haresh Motwani, member of Promoter Group, none of our other KMPs have any interest in the promotion of our Company other than in ordinary course of business.

Contingent and deferred compensation payable to Key Management Personnel

There is no contingent or deferred compensation payable to our Key Management Personnel.

Changes in Key Management Personnel during the last three years

Changes in our Key Management Personnel during the three years immediately preceding the date of this Red Herring Prospectus are set forth below.

Name	Date of Change	Reasons for Change
Karan Haresh Motwani	May 07, 2019	Appointment as Executive Director
Kirti Agrawal	October 19, 2019	Appointed as Company Secretary
Karan Haresh Motwani	May 01, 2021	Re-designated as Managing Director
Kirti Agrawal	June 30, 2021	Resigned as Company Secretary

Name	Date of Change	Reasons for Change
Mihir Suresh Shah	July 05, 2021	Appointed as Chief Financial Officer
Jyoti Nikunj Chawda	July 05, 2021	Appointed as Company Secretary & Compliance Officer

Payment or benefit to officers of our Company

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Management Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except as stated otherwise in this RHP and any statutory payments made by our Company, no amount or benefit has been paid or given, in the two years preceding the date of this RHP or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, officers or employees of our Company.

Employee stock option plan and employee stock purchase plan

Our Company has not issued any shares pursuant to employee stock option scheme.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

Mrs. Anjana Haresh Motwani and Mr. Karan Haresh Motwani are the Promoters of our Company. As on the date of this Red Herring Prospectus, our Promoters hold 1,35,67,335 equity shares which constitutes 95.31% of the pre- Offer issued and paid-up equity share capital of our Company.

	Mrs. Anjana Haresh Motwani, aged 65 years, is the Promoter, Chairperson and Executive Director of our Company. For a complete profile of Mrs. Anjana Haresh Motwani i.e., date of birth, residential address, educational qualification, professional experience, positions held in the past and other directorships, special achievements, please refer to section titled "Our Management" beginning on page 179 of this Red Herring Prospectus. Driving License Number: Not applied PAN: AANPM5804B [redacted]
	Mr. Karan Haresh Motwani, aged 36 years, is the Promoter and Managing Director of our Company. For a complete profile of Mr. Karan Haresh Motwani, i.e., date of birth, residential address, educational qualification, professional experience, positions held in the past and other directorships, special achievements, please refer to section titled "Our Management" beginning on page 179 of this Red Herring Prospectus. Driving License Number: MH02 20033033685 PAN No.: ANHPM5141Q [redacted]

Our Company confirms that the details of the PAN, Bank Account Number(s) and Passport Number of our Promoters shall be submitted to the Stock Exchange(s) at the time of filing the Red Herring Prospectus.

Our Promoters, Mrs. Anjana Haresh Motwani and Mr. Karan Haresh Motwani are also involved in other ventures and business activities in different capacities as listed below:

Mrs. Anjana Haresh Motwani

S. No.	Name of entity	Nature of interest/ position	CIN/ Registration No. of the Entity
1.	HP Composites LLP	Designated Partner	AAM-8532
2.	HP International Limited	Shareholder and Director	U26940MH2004PLC145530
3.	HDM Estates Private Limited	Shareholder and Director	U45202MH2015PTC261564
4.	M/s. Hindustan Plastics	Proprietor	N.A.

Mr. Karan Haresh Motwani

S. No.	Name of entity	Nature of interest/ position	CIN/ Registration No. of the Entity
1.	HP Composites LLP	Designated Partner	AAM-8532
2.	HP International Limited	Shareholder and Director	U26940MH2004PLC145530
3.	HDM Estates Private Limited	Shareholder and Director	U45202MH2015PTC261564
4.	M/s. Advance Solvent Adhesives	Proprietor	N.A.
5.	M/s. HP Sales Corporation	Proprietor	N.A.
6.	M/s. HP Trading	Proprietor	N.A.
7.	M/s. Hindustan Products	Proprietor	N.A.
8.	Karan Motwani HUF	HUF	N.A.
9.	Haresh Motwani HUF	HUF	N.A.

Interests of our Promoters

Our Promoters are interested in our Company in the following manner:

(a) Our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of their respective equity shareholding in our Company and any dividend distribution that may be made by our Company with respect to their equity shares in the future. Below mentioned are the details pertaining to our Promoters' shareholding:

Sr. No.	Name of the Shareholder	Number of Equity Shares	% of the paid up capital
1.	Anjana Motwani	71,97,335	50.56
2.	Karan Motwani	63,70,000	44.75
	Total	**1,35,67,335**	**95.31**

(b) Our Promoters are also interested to the extent that they are Directors of our Company. Mrs. Anjana Haresh Motwani is interested to the extent of any remuneration and reimbursement of expenses payable to her by virtue of being Executive Director of our Company and Mr. Karan Haresh Motwani is interested to the extent of remuneration and reimbursement of expenses payable to him by virtue of being Managing Director of our Company. For further information, please refer to chapter titled "*Our Management*" beginning on page 179 of this Red Herring Prospectus.

(c) Our Promoters are also interested to the extent of rent payable to them by the Company for the registered office, admin office and factory premises given by them on leave and license basis to the Company. For further details, please refer to chapter titled *"Our Management"* and *"Annexure- XXV- Related Party Transactions*" beginning on pages 179 and 208 respectively of this Red Herring Prospectus.

(d) Except as stated under "*Annexure- XXV- Related Party Transactions*" on page 208 of this Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two (2) years from the date of this Red Herring Prospectus or proposes to enter into any such contract in which our Promoters 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.

(e) Except as stated otherwise in this Red Herring Prospectus, our Promoters do not have any interest in any property acquired by our Company in the preceding three (3) years of the date of this Red Herring Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building or supply of machinery.

Our Promoters are not related to any sundry debtors of our Company except as disclosed in *"Annexure– XXV - Related Party Transactions"* on page 208 of this Red Herring Prospectus.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by him or by such firm or company in connection with the promotion or formation of our Company except as disclosed in *"Annexure– XXV - Related Party Transactions"* on page 208 of this Red Herring Prospectus.

Promoter Group of our Company

(a) Individual Promoter Group of our Promoter

Relationship with Promoters	Mrs. Anjana Haresh Motwani	Mr. Karan Haresh Motwani
Father	Late Mr. Thakorlal Zaverchand Shah	Late Mr. Haresh Dhanraj Motwani
Mother	Late Mrs. Hansa Thakorlal Shah	Mrs. Anjana Haresh Motwani
Brother	Late Mr. Jawahar Thakorlal Shah Late Mr. Yogesh Thakorlal Shah	-
Sister	Mrs. Bharati Kishor Shah	Ms. Nidhi Haresh Motwani
Spouse	Late Mr. Haresh Dhanraj Motwani	Mrs. Neha Karan Motwani
Daughter	Ms. Nidhi Haresh Motwani	-
Son	Mr. Karan Haresh Motwani	-
Spouse's mother	Late Mrs. Savitri Dhanraj Motwani	Late Mrs. Meena Mahendra Velani Mrs. Shahbanu Mahendra Velani (stepmother)
Spouse's father	Late Mr. Dhanraj Nechaldas Motwani	Mr. Mahendra Valjibhai Velani
Spouse's Brother	Mr. Uttam Dhanraj Motwani Mr. Anand Dhanraj Motwani Late Mr. Kishanraj Dhanraj Motwani Late Mr. Gulab Dhanraj Motwani	Mr. Manish Mahendra Velani
Spouse's sister	Mrs. Geeta Nanik Mankani	Mrs. Tejal Shailesh Chamadia

(b) Entities forming a part of Promoter Group

As on the date of filling of this Red Herring Prospectus, the following entities form part of our Promoter Group:

Sr. No.	Name of Entities	PAN
1.	HP Composites LLP	AALFH4967N
2.	HP International Limited	AABCH6674H
3.	HDM Estates Pvt. Ltd.	AADCH8715P
4.	M/s. Hindustan Plastics	AANPM5804B
5.	M/s. Advance Solvent Adhesives	ANHPM5141Q

Sr. No.	Name of Entities	PAN
6.	M/s. HP Sales Corporation	ANHPM5141Q
7.	M/s. HP Trading	ANHPM5141Q
8.	M/s. Hindustan Products	ANHPM5141Q
9.	M/s. HP Marketing	BCAPM1284K
10.	M/s. HP International	AAMFH1795B
11.	M/s. Fabricast	AACPM0047P
12.	Motwani Fabricast Pvt. Ltd.	AAACM5064B
13.	Fabricast Trading LLC	N.A.
14.	Dhanraj Motwani HUF	AAAHD1922J
15.	M/s. Maharashtra Pipe Fitting Stores	AAAPV5487G
16.	Karan Motwani HUF	AAKHK5706R
17.	Haresh Motwani HUF	AABHH7100P

Other than as disclosed above, our Company has no other companies or entities that form part of our Promoter Group.

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our promoter group as on the date of this Red Herring Prospectus please see chapter titled "*Capital Structure*" on page 82 of this Red Herring Prospectus.

Confirmations

The Company hereby confirms that:

- Our Promoters have not been declared as Wilful Defaulters.
- Our Promoters/ Promoter Group have not been declared as "Fraudulent Borrowers" by the lending banks or financial institutions or consortium, in terms of RBI master circular dated July 01, 2016.
- Our Promoters and members of the Promoter Group have not been prohibited from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- Our Promoters have not been declared as fugitive economic offender under section 12 of the Fugitive Economic Offender Act, 2018.
- Our Promoters are not promoter, directors or person in control of any other company which is prohibited from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Related Party Transactions

For details of related party transactions entered into by our Promoters, Promoter Group and our Company during the last financial year, the nature of transactions and the cumulative value of transactions, please refer to *"Annexure– XXV - Related Party Transactions"* on page 208 of this Red Herring Prospectus.

Payment or benefits to the Promoters

Except as stated otherwise under " *Annexure- XXV- Related Party Transactions*" on page 208 of this Red Herring Prospectus about the related party transactions entered into during the last two (2)

Financial Years as per IND AS 24 and in "*Interest of our Promoters*" in this Chapter, there has been no other payment or benefit to our Promoters or Promoter Group nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Red Herring Prospectus.

Disassociation by the Promoters from entities in last three (3) years

Except as stated below, our Promoter has not disassociated itself from any company or firm in the three years immediately preceding the date of this Red Herring Prospectus:

Name of the Promoter	Name of the Disassociating Entity	Date of Disassociation	Reason for Disassociation
Anjana Haresh Motwani	Fitternity Health E-Solution Private Limited	January 23, 2020	Resignation as Director due to change in management
	Kisan Mouldings Limited	August 10, 2018	Resignation as Director due to other engagements
Karan Haresh Motwani	Fitternity Capital Management LLP	February 20, 2021	Resignation from the post of Designated Partner due to change in management
	Fitternity Health E-Solution Private Limited	January 23, 2020	Resignation as Director due to change in management

Change in the management and control of our Company

There has been no change in management and control of our Company during the last five years immediately preceding the date of filing of this Red Herring Prospectus.

Material Guarantees

There are no material guarantees given to third parties by the promoters with respect to specified securities of the issuer.

Outstanding Litigation

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 293 of this Red Herring Prospectus.

OUR GROUP COMPANIES

In accordance with the SEBI ICDR Regulations, for the purpose of identification of Group Companies, our Company has considered companies with which there were related party transactions, during the period for which financial information is disclosed in the Red Herring Prospectus, as covered under the applicable Indian Accounting Standards i.e., IND-AS 24 with whom our Company has had related party transactions during the six months period ended September 30, 2021 and financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and also other companies as considered material by the Board as per the materiality policy adopted by the Board pursuant to its resolution dated July 07, 2021 (the "Materiality Policy on Group Companies") for the purpose of disclosure in the offer document in connection with the Offer.

In terms of the Materiality Policy on Group Companies apart from the companies with which there have been related party transactions during the period for which financial information has been disclosed under this Red Herring Prospectus, a company is considered to be a material Group Company as under:

(i) company in which the investment in the form of equity or voting power or debt or debt instruments by our Company exceeds 25% of the net worth of our Company for the last audited financial year; and

(ii) where our Company has entered into one or more transactions with such company in the last audited financial year, cumulatively exceeding 5% of the total revenues of our Company for the last audited financial
year.

Accordingly, based on the parameters outlined above, our Company does not have any Group Company as on the date of this Red Herring Prospectus.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The shareholders of our Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividends in the last two fiscals and the period between last audited period and the date of filing of this Red Herring Prospectus.

For further details, please refer to section titled '*Financial Information*' beginning on page 202 of this Red Herring Prospectus.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

Independent Auditor's Examination report on the Restated Ind AS Financial Information of HP Adhesives Limited

To,
The Board of Directors
HP Adhesives Limited
11 Unique house, Chakala cross road,
Andheri East, Mumbai City MH 400099

Independent Auditors examination report on the Restated Ind AS Statement of Assets and Liabilities as at September 30, 2021 , September 30, 2020, March 31, 2021, March 31, 2020, March 31, 2019; the Restated Ind AS Statement of Profit and Loss (including other comprehensive income), the Restated Ind AS Cash Flow Statement, Restated Summary of Statement of Changes in Equity, the Summary Statement of Significant Accounting Policies, and other explanatory information of HP Adhesives Limited (formed by conversion of Partnership firm M/s HP International to Private Limited company subsequently converted to Public Limited Company "HP Adhesives Limited") for the six month ended September 30,2021 and September 30, 2020 and for each year ended March 31, 2021, March 31, 2020 and March 31, 2019; (collectively, the "Restated Ind AS Summary Statements").

Dear Sirs / Madam,

We have examined the attached Restated Ind AS Financial Information of HP Adhesive Limited (the "Company") as at and for the six months ended September 30, 2021 and September 30, 2020 and for each year ended March 31, 2021, March 31, 2020 and March 31, 2019 annexed to this report and prepared by the Company for the purpose of inclusion in, RHP & Prospectus (collectively the "offer documents") proposed to be filed with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"); & any other document of the Company in connection with its proposed Initial Public Offer of equity shares ("IPO"), prepared in terms of the requirements of :

a) Section 26(1) of Part I of Chapter III of the Companies Act, 2013 (the "Act");
b) Relevant provisions of 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"), (the "Guidance Note").

Management's Responsibility for the Restated Ind As Summary Statements

1. The Company's Board of Directors is responsible for the preparation of the Restated Ind AS Financial Information for the purpose of inclusion in the offer documents to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Mumbai in connection with the proposed IPO. The Restated Ind AS Financial Information have been prepared by the management of the Company on the basis of preparation stated in paragraph 2.1 of Annexure IV (A) to the Restated Ind AS Financial Information. The respective Board of Directors of the Company included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Financial Information. The respective Board of Directors are responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

2. We have examined such Restated Ind As Financial Information taking into consideration:

   The terms of reference and terms of our Master Engagement Agreement dated August 23, 2021 (As Amended on Oct 25, 2021) for the purpose of inclusion in the RHP & Prospectus & any other document of the Company in connection with its proposed Initial Public Offer of equity shares ("IPO");

   b. The Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI;

   c. Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Ind As 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, ICDR Regulations in connection with the IPO.

Restated Ind AS Summary Statements as per Audited Financial Statements

3. The Restated Summary Statements of the Company have been complied & extracted by the management from:

   a. Audited Interim Condensed Financial statements of the Company as at and for the six months period ended September 30, 2021 and September 30, 2020 prepared in accordance with the Indian Accounting Standard 34 -"Interim Financial Reporting" as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on November 15, 2021.

   b. The Audited Financial Statements of the Company for the financial years ended on March 31, 2021 which includes the comparative Ind AS financial statements as at and for the year ended March 31, 2020 and March 31, 2019 (previously proforma subsequently restated under IND AS issued dated 27/11/2021) prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on July 14, 2021 subsequently approved wide meeting held on November 27,2021. The Comparative Ind AS financial statements as at and for the year ended March 31, 2020 have been prepared by making Ind AS adjustments to the audited financial statements as at and for the year ended March 31, 2020, prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, which was approved by the Board of directors at their meeting held on December 31, 2020.

   c. The Audited Ind AS Financial Statements for the period ended March 31, 2021 prepared in accordance with Indian Accounting Standard (Ind AS) 101 " First Time Adoption " specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on July 14, 2021 considering the adoption date as May 7, 2019.

d. The Restated Financial Information also contains the Ind AS financial information as at and for the year ended March 31, 2019 (previously proforma subsequently restated under IND AS issued dated 27/11/2021). These Ind AS financial information have been prepared by making Ind AS adjustments to the special purpose Indian GAAP Financial statements of Erstwhile Partnership of Converted Company as at and for the year ended March 31, 2019 and also for the period for April 01,2019 to May,07,2019 as described in Note 2 to the Restated Financial Information.

4. For the purpose of our examination, we have relied on Auditors" Report issued by us on the Ind AS Financial Statements as at and for each of the year ended March 31, 2021, March 31, 2020 (Restated under IND AS) issued dated 14/07/2021 along with Audited Financials under Indian GAAP of Erstwhile partnership firm for the year ended March 31, 2019 approved & audited as per Partnership Act on September 27, 2019 (previously proforma subsequently restated under IND AS issued dated 27/11/2021) and Condensed Interim Financial Statements for the period ended on 30 September, 2021 issued dated 15/11/2021.

5. Based on our examination and according to the information and explanations given to us, we report that Restated Ind AS Summary Statements:
   A. Have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 (Restated under IND AS) and six months period ended September 30, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended September 30, 2021;

   B. Our Audit Report on the Financial statements for the year ended March 31,2021, March 31,2020 & March,31, 2019 includes an Emphasis of matter that has been reproduced as follows:
      I. For the year ended March, 31, 2021 which includes the comparative Ind AS financial statements as at and for the year ended March 31, 2020 prepared in accordance with Ind AS:
         a) "Effect of Transition to Ind AS Accounting framework: The Company has adopted Ind AS from 1st April 2020 with an effective date of 7th May 2019 for such transition for periods upto and including the year ended 31 March 2020, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended 31 March 2021, together with the comparative financial information for the previous year ended 31 March 2020 and the transition date Balance Sheet as at 7th May 2019 have been prepared under Ind AS.
         b) Impairment of Financial Assets (Expected Credit loss) framework: Ind AS 109 requires company to recognise impairment loss allowance towards its financial assets (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss approach considering the guiding principles of Ind AS 109
         c) Defined Benefit Plans: Company has first time Estimated Defined Benefit Plan. The Estimation of retirement benefit obligation is based on significant assumptions and judgments as disclosed in notes, small changes in assumptions can have material impact on the valuation of benefit obligation.

d) "We draw attention to the Ind AS Financial Statements which describes the management's assessment of the COVID-19 pandemic on the results and the extent to which it will impact the Company's operations is dependent upon future developments, which remain uncertain.

Our opinion is not modified in respect of this matter."

II. For the year ended Year ended March,31, 2020:

Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at March,31, 2021; along with incorporating Ind AS adjustments to the audited Audited financial statements of Partnership Firm Period for April,01,2019 to May,07,2019 as described in Note IV(A) to the Restated Financial Information;

"We draw attention to the Ind AS Financial Statements which describes the management's assessment of the COVID-19 pandemic on the results and the extent to which it will impact the Company's operations is dependent upon future developments, which remain uncertain.

Our opinion is not modified in respect of this matter."

III. For the period ended March 31, 2019 (Previously proforma subsequently restated under IND AS issued dated 27/11/2021):

Have been prepared after incorporating Ind AS adjustments to special purpose Indian GAAP Financial statements of Erstwhile Partnership Firm of Converted Company as at and for the year ended March 31, 2019 as described in Note IV(A) to the Restated Financial Information;

a) does not contain any qualifications requiring adjustments; and
b) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

IV. For all the period's as stated above including for the six months ended Sept 30, 2021 and Sept 30, 2020 and as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 period:

a) does not contain any qualifications requiring adjustments in the audited financial statements; and
b) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

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

i. The "Restated Summary Statement of Assets and Liabilities" as set out in Annexure I to this report, of the Company for the six months ended as on September 30, 2021 & September 30, 2020 and years ended as at March 31, 2021, March 31, 2020 & March 31, 2019 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes on Adjustment made for Rested Financial Statements & Other Notes on Restated Accounts are set out in Annexure IV (A) to this report.

ii. The "Restated Summary Statement of Profit and Loss" as set out in Annexure II to this report, of the Company for the for the six months period ended as on September 30, 2021 & September 30, 2020, and years ended as at March 31, 2021, March 31, 2020 & March 31, 2019 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes on Adjustment made for Rested Financial Statements & Other Notes on Restated Accounts are set out in Annexure IV (A) to this report.

iii. The "Restated Summary Statement of Cash Flow" as set out in Annexure III to this report, of the Company for the six months ended as on September 30, 2021 & September 30, 2020 and years ended the years ended as at March 31, 2021, March 31, 2020 & March 31, 2019 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flow, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes on Adjustment made for Rested Financial Statements & Other Notes on Restated Accounts are set out in Annexure IV (A) to this report.

7. Based on the above and also as per the reliance placed by us on the Audited Interim/ Condensed Financial Statements of the Company and report thereon for the for the six months ended as on September 30, 2021 & September 30, 2020 and years ended as at March 31, 2021, March 31, 2020 & March 31, 2019 we are of opinion that:
   a) The Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
   b) The Restated Summary Statements have been made after incorporating adjustments for prior period any other material error if any , in the respective financial years/period to which they relate and there are no qualifications which they relate and there are no qualification which require adjustments;
   c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
   d) There were no qualifications in the Audit Reports issued in Statutory Audit Report / Interim Condensed Financial statements for the six months ended as on September 30, 2021 & September 30, 2020 and years ended as at March 31, 2021 ,March 31, 2020 & March 31, 2019 which would require adjustments in this Restated Financial Statements of the Company;
   e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with Significant Accounting Policies, Notes on Adjustment made for Rested Financial Statements & Other Notes on Restated Accounts are set out in Annexure IV (A) to this report.
   f) Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial basis in the Restated Summary Statements;

g) There was no change in accounting policies subject to as mentioned in notes on adjustments made for restated financial statements set out in Annexure IV(A) to the report, which needs to be adjusted in the Restated Financial Statements;
h) There was no Revaluation Reserves, which need to be disclosed separately in the Restated Financial Statements;
i) The Company has not paid any dividend on its equity shares till March 31,2021 & six months ended September 30, 2021.

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2021. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Company as of any date or for any period subsequent to September 30, 2021. The Restated Ind AS Summary Statements does not reflect the events that occurred subsequent to the respective dates of the reports on the Ind AS financial statements mentioned in paragraph 4 above.

9. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial year ended on March 31, 2021, March 31, 2020 & March 31, 2019(Restated under IND AS) and six months period ended on 30 September, 2021 & 30 September, 2020, proposed to be included in the RHP & Prospectus & any other document of the Company in connection with its proposed Initial Public Offer of equity shares ("IPO").

Annexure of Restated Financial Statements of the Company :-

Sr. No	Particulars	Annexure
1.	Restated Ind AS summary statement of Assets and Liabilities	Annexure I
2.	Restated Ind AS summary statement of Profit and Loss	Annexure II
3.	Restated Ind AS Summary statement of Cash flows	Annexure III
4.	Notes to the Restated Ind AS financial information - Significant Accounting policies	Annexure IV (A)
5.	Reconciliation of Restated Profit	Annexure IV (B)
6.	Reconciliation of Restated Equity/Net Worth	Annexure IV (C)
7.	Notes to the Restated Ind AS financial statements	Annexure V - XXXI

10. We, Priya Choudhary & Associates LLP, have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.

11. The preparation and presentation of the Financial Statements referred to above are based on the Audited Financial Statements of the Company and are in accordance with the provisions of the Act and ICDR regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

12. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to therein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. In our opinion, the above financial information contained in Annexure V to XXVII of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.

15. Our report is intended solely for use of the Board of Directors for inclusion in the RHP & Prospectus & any other document of the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed IPO of the Company. 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 Priya Choudhary & Associates LLP
Chartered Accountants
(FRN- 011506C/C400307)

Vaibhav Choudhary
(Partner)
(M.No. 407543)
Place: Mumbai(Mah)
Date: 27/11/2021
UDIN No: 21407544AAAAGT6167

HP ADHESIVES LIMITED

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

ANNEXURE I

(₹ in Lakh)

Particulars	Annexure	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020**	As at 31st March, 2019**
ASSETS						
Non-current assets						
Property, plant and equipment	XIII	1,696.49	934.17	1,865.82	950.41	874.82
Capital work-in-progress		1,085.69	124.18	652.03	119.91	-
Right of Use Assets	XIII	476.33	62.33	38.26	114.94	3.13
Goodwill						
Other intangible assets	XIII	19.19	19.31	17.18	14.76	0.51
Financial assets						
Other financial assets	XIV	69.04	53.45	39.71	88.53	33.24
Deferred tax asset (net)		129.81	246.78	171.98	242.69	165.81
Other non-current assets	XIV	15.88	15.88	15.88	15.88	150.44
Total non-current assets		**3,492.43**	**1,456.10**	**2,800.85**	**1,547.10**	**1,227.95**
Current assets						
Inventories	XV	3,369.53	2,052.46	3,239.69	1,852.03	1,452.38
Financial assets						
Investments						
Trade receivables	XVI	2,880.79	1,937.71	2,286.61	1,979.85	2,240.84
Cash and cash equivalents	XVII	68.30	102.07	83.10	75.65	190.95
Loans	XVIII	108.71	124.73	116.65	122.51	82.29
Current tax assets (net)	XVIII	-	-	-	15.30	292.66
Other current assets	XVIII	571.29	442.66	450.97	88.69	184.67
Total current assets		**6,998.61**	**4,659.63**	**6,177.03**	**4,134.03**	**4,443.79**
TOTAL ASSETS		**10,491.04**	**6,115.73**	**8,977.89**	**5,681.12**	**5,671.74**
EQUITY AND LIABILITIES						
EQUITY						
Equity share capital	V	1,423.49	1,300.00	1,300.00	1,300.00	1,300.00
Other equity	VI	2,332.58	(739.51)	(34.12)	(1,051.56)	166.23
Total equity		**3,756.08**	**560.49**	**1,265.88**	**248.44**	**1,466.23**
LIABILITIES						
Non-current liabilities						
Financial liabilities						
Borrowings	VII	805.76	525.34	854.69	77.72	104.98
Lease Liabilities	IX (C)	337.16	24.15	14.52	73.61	5.08
Other non current liabilities		-	-	-	-	-
Provisions	IX (B)	105.75	115.76	119.18	101.26	55.38
Total non-current liabilities		**1,248.66**	**665.25**	**988.39**	**252.59**	**165.44**
Current liabilities						
Financial liabilities						
Borrowings	XI	1,924.76	2,367.33	2,283.83	3,328.26	2,253.35
Lease Liabilities	XI	141.21	37.85	24.24	38.75	5.49
Trade payables						

Particulars	Annexure	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020**	As at 31st March, 2019**
(i) Total outstanding dues of micro enterprises and small enterprises	X	1,338.24	625.79	396.01	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	X	1,276.92	805.35	2,193.02	1,526.79	1,457.36
Other financial liabilities	XI	446.69	837.62	1,422.48	277.97	71.60
Other current liabilities	XI	142.59	161.58	127.30	8.32	245.37
Provisions	XII	53.78	-	141.66	-	6.90
Current tax liabilities (net)	XII	162.11	54.48	135.07	-	-
Total current liabilities		**5,486.30**	**4,889.99**	**6,723.61**	**5,180.09**	**4,040.07**
TOTAL LIABILITIES		**6,734.96**	**5,555.24**	**7,712.00**	**5,432.69**	**4,205.51**
TOTAL EQUITY AND LIABILITIES		**10,491.04**	**6,115.73**	**8,977.89**	**5,681.12**	**5,671.74**
Significant accounting policies and Key accounting estimates and judgements	IV (A)					
See accompanying notes to the financial statements	IV(B) - XXXI(H)					

*** Restated financials includes period of Partnership Firm from 01/04/2018 to 07/05/2019*

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No : 011506C/C400307

Vaibhav Choudhary
(Partner)
Membership No: 407543
Place: Mumbai
Date: 27/11/2021

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
(Chairman)
DIN: 02650184

KARAN HARESH MOTWANI
(Managing Director)
DIN: 02650089

MIHIR SURESH SHAH
(Chief Financial Officer)
Place: Mumbai
Date: 27/11/2021

JYOTI NIKUNJ CHAWDA
Company Secretary
(Mem No.: 40074)
Date: 27/11/2021

HP ADHESIVES LIMITED
RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS **ANNEXURE-II**

(₹ in Lakh)

Particulars	Annexure	Six Month Period ended Sept 30th, 2021	Six Month Period ended Sept 30th, 2020	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020 **	For the Year Ended 31st March, 2019**
INCOME						
Revenue from operations	XIX	7,051.58	4,492.92	11,816.16	9,547.93	8,741.75
Other income	XX	221.65	181.97	571.80	242.82	55.89
Total		**7,273.23**	**4,674.89**	**12,387.96**	**9,790.75**	**8,797.64**
EXPENSES						
Cost of Material Consumed	XXI	4,337.20	3,127.40	9,708.36	6,588.30	6,063.06
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	XXI	794.07	(69.33)	(1,586.07)	(369.78)	(350.90)
Employee benefits expenses	XXII	774.76	626.45	1,473.58	1,269.33	938.04
Other expenses	XXIV	632.83	382.97	1,023.41	1,610.95	1,277.35
Total		**6,538.85**	**4,067.49**	**10,619.29**	**9,098.80**	**7,927.55**
Earning before Interest, Tax, Depreciation and Amortisation (EBITDA)		**734.38**	**607.40**	**1,768.67**	**691.95**	**870.09**
Finance costs	XXIII	172.41	110.89	255.31	294.68	390.64
Depreciation and amortisation expense	XIII	141.00	104.34	190.34	189.62	73.54
Total		**313.40**	**215.23**	**445.65**	**484.30**	**464.18**
Profit / (Loss) before exceptional items and tax		**420.98**	**392.17**	**1,323.02**	**207.66**	**405.91**
Exceptional items		-	-	-	743.71	-
Profit / (Loss) before tax		**420.98**	**392.17**	**1,323.02**	**(536.06)**	**405.91**
Tax expense						
Current tax	XXVII	(77.04)	(104.78)	(250.22)	-	-
Deferred tax (expense) / income	IX (A)	(33.69)	6.03	(66.84)	69.00	(5.84)
Total		**(110.73)**	**(98.75)**	**(317.06)**	**69.00**	**(5.84)**
Profit / (Loss) for the year		**310.24**	**293.42**	**1,005.96**	**(467.05)**	**400.07**
Other comprehensive income						
(A) Items that will not be reclassified to profit or loss						
(i) Re-measurement gains / (losses) on defined benefit plans		33.68	7.68	15.35	(21.39)	10.13
(ii) Income tax relating to items that will not be reclassified to profit or loss		(8.48)	(1.93)	(3.86)	5.38	(3.13)
Total amount not to be re-classified to profit or loss (Net of tax)		25.21	5.74	11.49	(16.00)	7.00
(B) Items that will be reclassified to profit or loss		-	-	-	-	-
Other comprehensive income for the year, net of tax		**25.21**	**5.74**	**11.49**	**(16.00)**	**7.00**
Total comprehensive income for the year	VI	**335.45**	**299.17**	**1,017.45**	**(483.06)**	**407.07**
Earnings per Equity Share						
Basic Earnings / (loss) per Equity Share (not annualised for period ended 30 Sept 2021 and 30 Sept 2020)		2.22	2.26	7.74	(3.59)	3.08
Diluted Earnings / (loss) per Equity Share		2.22	2.26	7.74	(3.59)	3.08
Significant accounting policies and Key accounting estimates and judgements	IV (A)					

See accompanying notes to the financial statements IV(B) - XXXI(H)

*** Restated financials includes period of Partnership Firm from 01/04/2018 to 07/05/2019*

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No : 011506C/C400307

Vaibhav Choudhary
(Partner)

Membership No: 407543
Place: Mumbai
Date: 27/11/2021

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
(Chairman)
DIN: 02650184

KARAN HARESH MOTWANI
(Managing Director)
DIN: 02650089

MIHIR SURESH SHAH
(Chief Financial Officer)
Place: Mumbai
Date: 27/11/2021

JYOTI NIKUNJ CHAWDA
Company Secretary
(Mem No.: 40074)
Date: 27/11/2021

HP ADHESIVES LIMITED
RESTATED SUMMARY STATEMENT OF CASH FLOW **ANNEXURE-III**

(₹ in Lakh)

Particulars	Six Month Period ended Sept 30th, 2021	Six Month Period ended Sept 30th, 2020	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020**	For the Year Ended 31st March, 2019**
Cash flow from operating activities					
Net profit / (loss) before taxation	420.98	392.17	1,323.03	(536.07)	405.91
Adjustments for:					
Depreciation and amortization expenses	141.00	104.34	190.33	189.62	73.54
Finance cost	172.41	110.89	255.31	294.68	390.64
Operating Profit / (Loss) before working capital changes	**734.38**	**607.40**	**1,768.67**	**(51.77)**	**870.09**
Changes in working capital					
(Decrease)/ increase in trade payables	26.13	(95.65)	1,062.24	69.43	126.49
Decrease/ (increase) in inventories	(129.83)	(200.43)	(1,387.66)	(399.65)	(653.05)
Decrease/ (increase) in trade receivables	(594.18)	42.14	(306.76)	260.99	50.35
(Decrease)/ increase in other current financial liabilities	(536.19)	509.29	1,129.99	206.37	25.53
(Decrease)/ increase in other current and non financial liabilities	15.29	153.26	118.97	(237.05)	177.89
(Decrease)/ increase in provisions	(40.58)	76.65	310.00	22.97	11.90
Decrease/ (increase) in loans	7.95	(2.22)	5.86	(40.22)	(27.24)
Decrease/ (increase) in other current and non current financial assets	-	15.30	48.82	(55.29)	(25.69)
Decrease/ (increase) in other current and non current non financial assets	(149.65)	(318.89)	(362.29)	230.54	(192.36)
Other Equity Adjustments	(0.24)	12.89	-	-	-
Cash generated from operating activities	**(666.93)**	**799.72**	**2,387.84**	**6.34**	**363.91**
Income tax paid	(77.04)	(104.78)	(234.92)	277.36	(134.96)
Net cash generated from operating activities (A)	**(743.97)**	**694.95**	**2,152.92**	**283.70**	**228.95**
Cash flow from Investing activities					
Payment for property, plant and equipment and intangible assets	(1,000.67)	(44.32)	(1,640.28)	(399.37)	(354.26)
Proceeds from sale/ disposal of property, plant and equipment	155.27	-	-	-	-
Interest received	-	-	17.58	(9.99)	(4.64)
Net cash used in Investing activities (B)	**(845.40)**	**(44.32)**	**(1,622.70)**	**(409.36)**	**(358.90)**
Cash flow from Financing activities					
Proceeds from Issue of Share Capital	2,154.98	-	-	-	-
Proceeds from long-term borrowings	(48.93)	447.61	776.97	(27.26)	(44.46)
Proceeds from Contribution to Partners (Net) *	-	-	-	(742.61)	167.49
Proceeds / (Repayment) of borrowings from related parties	-	-	(874.40)	532.13	342.27
Movement in short-term borrowings from banks (net)	(359.07)	(960.93)	(170.03)	542.78	68.03
Finance Cost	(172.41)	(110.89)	(255.31)	(294.68)	(390.64)
Net Cash used in Financing Activities (C)	**1,574.57**	**(624.21)**	**(522.77)**	**10.37**	**142.69**

Particulars	Six Month Period ended Sept 30th, 2021	Six Month Period ended Sept 30th, 2020	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020**	For the Year Ended 31st March, 2019**
Net increase in cash and cash equivalents (A+B+C)	**(14.80)**	**26.42**	**7.46**	**(115.30)**	**12.74**
Cash and cash equivalents at the beginning of the year	83.10	75.65	75.65	190.95	178.21
Cash and cash equivalents at the end of the year	**68.30**	**102.07**	**83.10**	**75.65**	**190.95**
Cash and cash equivalents comprise					
Balances with banks					
On current accounts	26.94	58.27	58.40	49.55	123.57
Fixed deposits with maturity of less than 3 months	21.87	27.52	10.39	6.11	49.64
Cash on hand	19.50	16.28	14.30	19.99	17.74
Total cash and cash equivalents at end of the year	**68.30**	**102.07**	**83.10**	**75.65**	**190.95**

*** Restated financials includes period of Partnership Firm from 01/04/2018 to 07/05/2019*

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No : 011506C/C400307

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
(Chairman)
DIN: 02650184

KARAN HARESH MOTWANI
(Managing Director)
DIN: 02650089

Vaibhav Choudhary
(Partner)
Membership No: 407543
Place: Mumbai
Date: 27/11/2021

MIHIR SURESH SHAH
(Chief Financial Officer)
Place: Mumbai
Date: 27/11/2021

JYOTI NIKUNJ CHAWDA
Company Secretary
(Mem No.: 40074)
Date: 27/11/2021

HP ADHESIVES LIMITED

Restated Financial Information

ANNEXURE-IV (A)

1 Company overview

Company was converted from a Private limited company to a Public limited Company, pursuant to a special resolution passed by our Shareholders at the EGM held on June 23, 2021 and the name of our Company was changed to 'HP Adhesive Limited'. Consequently, a fresh certificate of incorporation was issued by the RoC on July 1, 2021

HP Adhesives Limited ("Company") is a public limited company domiciled and incorporated in India under the Companies Act, 2013. The registered office of Company is located at 11 Unique House, Chakala Cross Road, Andheri East, Mumbai(MH) 400099 bearing CIN No : U24304MH2019PLC325019.

The Company was formed by conversion of a partnership firm, under the provisions of Chapter XXI of Companies Act, 2013. The Firm was formed and registered as a partnership firm under the provisions of Indian Partnership Act, 1932, pursuant to a deed of partnership, as amended and supplemented from time to time. The Firm was converted to a private limited company on May 7, 2019 and subsequently converted to public limited company.

Company is engaged in Manufacturing and distribution of adhesives and sealants alongwith other ancillary products.

The Company's Restated Ind AS Summary Statements for the period/year ended 30 Sept 2021, 30 Sept 2020, 31 March 2021, 31 March 2020 and 31 March 2019 were approved for issue in accordance with a resolution of the directors on 27/11/2021.

2 SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Company are as under:

2.1 Basis of Preparation of Financial Statements

The Restated Financial Information of the Company comprises Restated Ind AS Statement of Assets and Liabilities as at September 30, 2021 , September 30, 2020, March 31, 2021, March 31, 2020, March 31, 2019; the Restated Ind AS Statement of Profit and Loss (including other comprehensive income), the Restated Ind AS Cash Flow Statement, Restated Summary of Statement of Changes in Equity, the Summary Statement of Significant Accounting Policies, and other explanatory information for the six month ended September 30,2021 and September 30, 2020 and for each year ended March 31, 2021, March 31, 2020 and March 31, 2019; (collectively, the "Restated Ind AS Summary Statements"), as approved by the Board of Directors of the Company at their meeting for the purpose of inclusion in the Red Herring Prospectus ("RHP") & Prospectus & any other document of the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") .

These Statements have been prepared by the Management of the company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Red Herring Prospectus ('RHP') in connection with its proposed initial public offering of equity shares of face value of Rs. 1 each of the Company comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholder (the "Offer"), prepared by the Company in terms of the requirements of:

a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

b. Relevant provisions of 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 (the "Guidance Note").

The Restated Ind AS Summary Statements have been compiled from:

Audited Condensed Standalone Interim Ind AS financial statements of the Company as at and for six months ended 30 Sept 2021 prepared in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" (referred to as "Ind AS"), as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 27 November 2021.

Audited Condensed Standalone Interim Ind AS financial statements of the Company as at and for six months ended 30 Sept 2020 prepared in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" (referred to as "Ind AS"), as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 27 November 2021.

Audited Ind AS financial statements of the company as at and for year ended 31 March 2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on July 14, 2021.

The Financial statements for the year ended 31 March 2021 are the first financial Statements that the Company has prepared in accordance with Ind AS. The date of transition is 07 May 2019. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), which is considered as the previous GAAP, for purposes of Ind AS 101.

Company's Financial statements for the financial period ended 2018-19 & 2019-20 were as per Indian GAAP while Financial statements for the Financial year 2020-21 are prepared in accordance with IND AS. Hence the figures are restated pursuant to Retrospective Adoption of Ind AS 101 First Time Adoption (as referred in Para No. 3 below)

The management of the Company has adjusted financial information for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 included in such Indian GAAP financial statements, using recognition and measurement principles of Ind AS, on its first time adoption of Ind AS as on the transition date April 1, 2018. Refer Note to Restated Ind AS Summary Statements for detailed information on how the company Transitioned to Ind AS."

These Restated Ind AS Summary Statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective as at 30 Sept 2021. The accounting policies are applied consistently to all the periods presented in the Restated Ind AS Summary Statements.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except as otherwise stated.

(b) **Basis of Measurement**

The restated financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

- Financial instruments – measured at fair value;
- Plan assets under defined benefit plans – measured at fair value;
- Asset & liabilities recognised under Ind AS 116

Classification into current and non-current:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it satisfies any of the following criteria:

• It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

• It is held primarily for the purpose of being traded;

• It is expected to be realised within 12 months after the reporting date; or

• It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

• All other assets are classified as non-current.

• A liability is classified as current when it satisfies any of the following criteria:

• It is expected to be settled in the Company's normal operating cycle;

• It is held primarily for the purpose of being traded

• It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

The Restated Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Lakh, unless otherwise stated.

2.2 Property, plant and equipment

Property, plant and equipment, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use.
It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue generated from production during the trial period is capitalised.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Depreciation methods, estimated useful lives

The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset. expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Based on management's evaluation, the Company uses straight-line method and has used following useful lives to provide depreciation of different class of its property, plant and equipment:

Assets Category -	Estimated Useful Life
Building	30 years
Plant & Machinery	15 years
Furniture & Fixtures	10 years
Vehicles	10 years
Computer & Software	3/6 years
Office Equipments	5 years

Based on Management's assessment of Useful life relied upon the technical advice of expert on the same, on event of conversion of Partnership firm to Private limited, depreciation has been provided on SLM Basis on WDV as on date of conversion to be depreciated on remaining useful life of the assets. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Residual value of Plant & Machinery is considered as 5% of the cost and for other assets as Rs.100.

Refer Para No 3 on Adjustments related to Restated Financial Year 2018-19 below.

Gain and losses on disposal of Assets are determine by comparing net disposal proceeds with carrying amount of the asset. These are included in Profit and loss under other Income.

2.3 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

The Company amortize intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Estimated Useful Life
Trade Mark	5 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 Capital work in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

2.5 Impairment

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible 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 asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

2.6 Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases.

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Fixed overheads are allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material. Costs are assigned to the individual items in a company of inventories on the basis of weighted average cost basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs of inventories are determined on First in First out (FIFO) basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

2.7 Revenue recognition

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of export turnover. Revenue from sales is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed.

Company has 3 main streams of revenue:

i. Sale of goods to distributors – Company recognize revenue when the goods are delivered to its customer since the customer does not have right to return material unless it has confirmation from the Company.
ii. Sale of goods to OEM

iii. Export sales – Company recognize revenue when the goods are delivered on FOB basis; since the customer does not have right to return material unless it has confirmation from the Company.

Revenue is measured net of discounts, incentives, rebates etc. given to the customers on the Company's sales. The Company's presence across different marketing regions within the country and the competitive business makes the assessment of various type of discounts, incentives and rebates as complex and judgemental.

Dividend & Interest income

Dividend income from investments if any to be recognised only when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.8 Leases

As a lessee

The company recognises a Right-of-use (ROU) Asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.9 Foreign exchange translation

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss.
Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.10 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Provision for current tax is made after taken into consideration benefits admissible under the provisions of Section 115BAA of the Income Tax Act, 1961.

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax (MAT)

Provisions of MAT are not applicable as company has opted to pay tax under section 115 BAA of Income Tax Act, 1961.

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.11 Borrowing costs

Borrowing costs, if any, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

2.12 Provisions & Contingencies

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

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it's carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the on going activities of the Company.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

2.13 Employee Benefits

(a) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year 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.

(b) **Other long-term employee benefit obligations**

(i) **Defined contribution plan**

Provident Fund: The Company's contributions to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan, are charged to the Statement of Profit and Loss in the period of accrual. The Company has no obligation, other than the contribution payable to the provident fund.

Superannuation Fund: Employees of the Company above a prescribed grade are entitled to receive retirement benefits under the Company's superannuation fund scheme. The contributions made by the Company to the approved Employees' Superannuation Fund Scheme under the scheme administered and managed by a trust, towards defined contribution plan for eligible employees are charged to Profit and Loss in the period of accrual.

(ii) **Defined benefit plans**

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the Company with respect to gratuity is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled.
Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the balance sheet with a charge/credit recognised in Other Comprehensive Income ("OCI") in the period in which they occur.

Remeasurements recognised in OCI is reflected immediately in retained earnings and is not reclassified to profit or loss in subsequent periods.

(iii) **Other employee benefits**

Compensated absences which accrue to employees and which can be carried to future periods but are excepted to be encashed/ availed within twelve months immediately following the year end are reported as expenses during the year in which employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits. Where the availment or encashment is otherwise not excepted to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

2.14 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.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or
b) at fair value through other comprehensive income; or
c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

<u>Business model assessment</u>

The company determines its business model at the level that best reflects how it manages Company's of financial assets to achieve its business objective.
The company business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

(i) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
(ii) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
(iii) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
(iv) he expected frequency, value and timing of sales are also important aspects of the Company's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely payments of Principal and Interest test

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.
The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.
In contrast, contractual terms that introduce a more than de minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

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 fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through 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 Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.
ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost 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 Company does not reduce impairment allowance from the gross carrying amount.
Company measures the loss allowance at an amount equal to lifetime expected credit losses for Trade receivables (i.e. 'simplified approach').

Trade receivables are written off when there is no reasonable expectation of recovery.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or
b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) 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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. 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 EIR method. Gains and losses are recognized in Statement of Profit and 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. *Presently Company has not included transaction costs based on materiality.*

The Company's Financial liabilities include Trade and other payables, loans and borrowings including Bank overdrafts, and Bank Term Loans.

(iii) 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 as finance costs.

2.15 Cash & 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 insignificant risk of changes in value.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares, if any are recognized as a deduction from equity, net of any tax effects.

Equity shares are classified under Equity. Company has deferred the transactional / pre-ipo costs (classified under Other Current Assets) till the allotment of share in the proposed IPO & the same will be added to the Equity of the company.

2.17 Offsetting financial instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle financial asset and liability on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.18 Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Chief Financial Officer assesses the financial performance and position of the Company and makes strategic decisions. Chief Financial Officer has been identified as Chief Operating Decision Maker.

2.19 Earnings per share

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

2.20 Measurement of EBITDA

The Company has opted to present earnings before interest (finance cost), tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the period. The company measures EBITDA based on profit/(loss) from continuing operations.

2.21 Uncertainty relating to the global health pandemic on COVID-19 -

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, certain investments, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The company has performed sensitivity analysis on the assumption used herein. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets

3 NOTES ON ADJUSTMENTS FOR RESTATED FINANCIAL STATEMENTS

First-time adoption of Ind AS

3.1 The Company is formed under Chapter XXI of Companies Act, 2013 by conversion of erstwhile firm "H P International" on May 7, 2019 whereby all assets and liabilities of the said firm are termed as assets and liabilities of the Company at book value from the conversion date

I Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has applied the following exemptions:

a. Deemed cost:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of the transition to Ind AS, measured as per the previous GAAP and use as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'.

Accordingly, the company has elected to measure all its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

b. Share-based payments

Ind AS 101 allows the first time adopter to not apply Ind AS 102 'Share-based payment' to equity instruments that vested before date of transition to Ind AS. Accordingly, the company has not applied Ind AS 102 to equity instruments in share-based payment transactions that vested before 1 April 2018.

II **Exception**

a. Estimates:

The estimates at 1 April 2018 and at 31 March 2019 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2018, the date of transition to Ind AS and as of 31 March 2021.

b. Classification and measurement of financial assets:

The company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

3.2 For Incorporation of Financial Information of FY 2018-19 and period from 01.04.2019 to 07.05.2019 of erstwhile firm M/s HP International, IND AS financials have been prepared by making adjustments to existing final accounts of Partnership firm. We have made following adjustment to adhere to requirements of Sec 26 of Part I of Chapter III of Companies Act,2013 along with SEBI ICDR Regulation and Guidance Note on Report of Company Prospectus (Revised 2019) issued by ICAI.

Accounts head appearing in erstwhile firm	Accounts head appearing in Restated Financial Statement
1. Partner's Capital Account	Share Capital
2. Remuneration to Partners	Director's Remuneration
3. Interest to Partners	Finance Cost

4. Considering the Opening WDV as on 01.04.2018, depreciation has been charged on balance remaining useful life of assets as per Companies Act,2013 for consistency in presentation & comparison in Restated Financial Statements for FY 2018-19. As pervious charged as per Income Tax Act provisions erstwhile Partnership firm.

5. Effects of changes in method & rates of depreciation has been adjusted under Partner's Capital Reserves incorporated under Other Equity in Restated Financial Statements.

6. Effects of Change in WDV of Assets due of change in depreciation as per Companies Act in Restated Financial Statements of FY 2018-19 has been adjusted under Other Equity and carry forward effects of the same are not considered in further periods' for FY 07th May,2019 to 31.03.2020 & FY 2020-21 onwards, which are already been adjusted as per IND AS provisions on First Time Adoption of IND AS with an effective date of 1 April, 2018 for such transition, after incorporating all adjustments for the changes in accounting policies, material errors and recompanying/reclassifications retrospectively in the financial years ended 31 March 2020 to reflect the same accounting treatment as per the accounting policies and companying/classifications followed as at March,31, 2021 as in our opinion were appropriate and comparable.

7. Closing WDV appearing in books of erstwhile firm as on 01.04.2019 was taken as the Opening Gross Block of assets as on 07.05.2019.

4 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, 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 years.

The preparation of Restated Ind AS Summary Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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.

The following are the critical judgements and estimations that have been made by the management in the process of applying the accounting policies and that have the most significant effect on the amount recognised in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Determining the lease term of contracts with Renewal and Termination options -the Company as lessee

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination

The company included the renewal period as part of the lease term for leases of property with shorter non-cancellable period (i.e., 3 to 5 years). The company typically exercises its option to renew for these leases because there will be a significant negative effect on business if a replacement by way of alternate property is not readily available. The renewal periods for leases of property with longer non-cancellable periods (i.e., 6 to 10 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised. Such Lease has been revalued as per revised terms and increased rental value.

4.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end 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 Company based its assumptions and estimates on parameters available when the financial statements 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 Company. Such changes are reflected in the assumptions when they occur.

(a) **Useful lives of property, plant and equipment and intangible assets**

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Company has determined useful life assets based on expert opinion. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

In the restated financials, there is change in the method of depreciation, which was previously followed under WDV method of Income Tax Act, now it has been changed to SLM method as per Companies Act 2013.

(b) **Fair value measurements and valuation processes**

Some of the Company's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the financial statements.

(c) **Actuarial Valuation**

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

(d) **Impairment of trade receivables**

As per Ind AS 109 impairment allowance has been determined based on Expected Credit Loss Method.

The Company uses a simplified approach to determine impairment loss allowance on the portfolio of trade receivables. This 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 analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future

Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

(e) **Revenue from Contracts with Customers**

The Company has applied judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers

(f) **Effective interest rate**

For the requirement of Ind AS 109 and Ind AS 116, company has used incremental borrowing rate as the rate for discounting and amortising. This incremental borrowing rate reflects the rate of interest that the company would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

4.2 **Standards / Amendments issued:**

The Ministry of Corporate Affairs (MCA) vide Notification dated 18 June 2021 notified the new Companies (Indian Accounting Standard) Amendment Rules, 2021. The notification has made amendments to various Ind AS. Some of the key amendments are:

a **Ind AS 116 – Leases**

The practical expedient relating to rent concessions arising as a result of COVID-19 allowed lessees to not consider COVID-19 related rent concessions to be a lease modification provided the lease payments were originally due on or before 30 Sept, 2021. The relief provided by the practical expedient has now been extended and is applicable to all lease payments originally due on or before 30 June 2022. The said amendment is applicable for annual reporting periods beginning on or after 1 April 2021.

b **Ind AS 103 – Business Combination**

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post combination financial statements in accordance with other Ind AS. This amendment has no impact on the Restated Ind AS Summary Statements.

c **Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28. This amendment has no impact on the Restated Ind AS Summary Statements.

d **Interest Rate Benchmark Reform – Phase 2**

This amendment relates to 'Interest Rate Benchmark Reform — Phase 2 (Amendments to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116)' which addresses issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. Some of the key amendments arising from the interest rate benchmark are:

i. Ind AS 109: New guidance has been included on changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform. An entity should apply the amendments for annual reporting periods beginning on or after 1 April 2021.
ii. Ind AS 107: Additional disclosures related to nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform and how the entity manages these risks.

iii. An entity should apply the amendments when it applies amendments to Ind AS 109, Ind AS 104 or Ind AS 116.

Company has adopted its incremental borrowing rate as the discount rate. Managements excepts that the adoption of the amendments did not have any material impact on its financial statements.

e **Amendments to Ind AS consequential to Conceptual Framework under Ind AS**

The amendments relating to Ind AS 102, Share-based Payment; Ind AS 103, Business Combinations; Ind AS 106, Exploration for and Evaluation of Mineral Resources; Ind AS 114, Regulatory Deferral Accounts; Ind AS 1, Presentation of Financial Statements; Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 34, Interim Financial Reporting; Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; Ind AS 38, Intangible Assets, are consequential due to changes in the Conceptual Framework under Ind AS, made in August 2020. The revised Conceptual Framework introduced some new concepts and clarifications along with revision in definitions and changes in recognition criteria of assets and liabilities under Ind AS. The Company does not expect the consequential amendments to have any significant impact in its Restated Ind AS Summary statements.

f The company has considered the amendments to Schedule III of the Companies Act 2013 notified by Ministry of Corporate Affairs ("MCA") via notification dated 24 March 2021 in the restated Ind AS Summary Statements disclosures, wherever applicable.

HP ADHESIVES LIMITED

RECONCILIATION OF RESTATED INCOME **ANNEXURE-IV (B)**

(₹ in Lakh)

Particulars	As at Sept 30th, 2021	As at Sept 30th, 2020	As at March 31st, 2021	As at March 31st, 2020	As at March 31st, 2019
Net profit/(loss) after tax as per audited statement of profit and loss	335.45	299.17	1,017.45	(210.93)	447.06
Adjustments for:					
Impact on account of application of Ind AS 116 (net) (Note 1)			-	(3.01)	1.50
Impact of Expected loss provisioning as per Ind AS 109 (Note 2)	-	-	-	(145.38)	(74.46)
Impact on account of application of Ind AS 109 on Security deposits given (Note 3)	-	-	-	(0.18)	(0.04)
Impact of recognition of Gratuity expense as per Ind AS 19 (Note 4)	-	-	-	(33.59)	(4.74)
Impact of above adjustments on deferred taxes	-	-	-	43.14	(5.84)
Impact of Other Adjustments on Partner's Capital A/c (Net) (Note 5)					43.59
Prior period adjustment	-	-	-	(133.11)	-
Total Comprehensive income as restated	**335.45**	**299.17**	**1,017.45**	**(483.06)**	**407.07**

Explanatory Notes to the above restatements made in Audited Financial Statements of Company for the respective years/period.

Adjustments having impact on Profit:

Note 1

As the restated financials are made as per Ind AS, hence following the guidance of Ind AS 116, finance charge and depreciation on ROU asset has been recognised and lease rent has been reversed, corresponding adjustments in the deferred tax have been made.

Note 2

As the restated financials are made as per Ind AS, hence following the guidance of Ind AS 109, provision has been made for Expected credit loss on trade receivables and impairment loss on the same is provided, further corresponding adjustments in the deferred tax have been made.

Note 3

As the restated financials are made as per Ind AS, hence following the guidance of Ind AS 109, finance income and amortization of prepaid expenses has been recognised for security deposits given.

Note 4

As the restated financials are made as per Ind AS, hence following the guidance of Ind AS 19 Employee benefits, DBO expense (Gratuity) has been recognised in P&L and remeasurement gain/loss has been recognised in OCI.

Note 5

As the restated financials are made as per Ind AS after incorporating all adjustments for the changes in accounting policies, material errors and regrouping/reclassifications in the retrospectively in period from 01.04.2019 to 07.05.2019 and Financial year ended as on 31st March, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed subsequently which in our opinion were appropriate and comparable.

Effects of changes in method & rates of depreciation has been adjusted under Partner's Capital Reserves incorporated under Other Equity in Restated Financial Statements.

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RECONCILIATION OF RESTATED EQUITY/NET WORTH **ANNEXURE IV (C)**

(₹ in Lakh)

Particulars	As at Sept 30th, 2021	As at Sept 30th, 2020	As at March 31st, 2021	As at March 31st, 2020	As at March 31st, 2019
Shareholders' equity as per Audited Financials	**3,756.08**	**560.49**	**1,265.90**	**1,089.08**	**1,948.48**
Adjustments for:					
Lease adjustments as per Ind AS 116	-	-	-	(2.25)	(10.57)
Expected credit loss adjustment in trade receivables as per Ind AS 109	-	-	-	(814.08)	(668.70)
Adjustment in security deposit given as per Ind AS 109	-	-	-	(0.22)	(3.17)
Recognition of DBO (Gratuity provision)	-	-	-	(101.25)	(62.28)
Deferred tax on adjustment	-	-	-	210.28	165.81
Recognisation of ROU	-	-	-	-	3.13
Cumulative Impact on account of Depreciation and recognisation of Intangible Asset					93.53
Prior period error rectified	-	-	-	(133.11)	-
Shareholders' equity as restated	**3,756.08**	**560.49**	**1,265.90**	**248.44**	**1,466.23**

Explanatory Notes to the above restatements made in Audited Financial Statements of Company for the respective years/period

To give Explanatory Notes regarding adjustments

Appropriate adjustments have been made in the restated financial statements, wherever required by classification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited financials of the Company for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosures) Regulations 2018 and management's judgments.

DETAILS OF SHARE CAPITAL AS RESTATED

ANNEXURE V

Statement of Share Capital

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(a) Authorised					
2,00,00,000 Equity Shares of Rs. 10/- each.	2,000.00	1,300.00	1,300.00	1,300.00	1,300.00
(b) Issued					
1,42,34,947 Equity Shares of Rs. 10/- each.	1,423.49	1,300.00	1,300.00	1,300.00	1,300.00
(c) Subscribed and fully paid up					
1,42,34,947 Equity Shares of Rs. 10/- each.	1,423.49	1,300.00	1,300.00	1,300.00	1,300.00

TOTAL	1,423.49	1,300.00	1,300.00	1,300.00	1,300.00

Rights, Preferences and Restrictions attached to equity shares:

Equity Shares are issued consequent to conversion of Partnership firm to Company formed as per provisions of Part I of Company XXI of Companies Act,2013. Wherein Partners of firm has subscribed to Equity Shares of the Company.
The Company has one class of equity shares having a par value of Rs.10 each. The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year. Each shareholder is entitled to vote in proportion to his share of paid up equity share capital of the Company, except in case of voting by show of hands where each shareholder present in person shall have one vote only. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion of the number of shares held by the shareholders.
Shares held by Holding/Ultimate Holding/Subsidiaries and Associates of Holding & Ultimate Holding Companies: The Company does not have any holding or ultimate holding Company as at 30th September, 2021.

Reconciliation of Shares outstanding at the beginning and at the end of the period

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
No. of Share outstanding at the beginning of the period/year	1,30,00,000	1,30,00,000	1,30,00,000	1,30,00,000	1,30,00,000
No. of Share issued	12,34,947	-	-	-	-
No. of Share forfeited/ Buy back	-	-	-	-	
No of Share outstanding at the end of the period/year	**1,42,34,947**	**1,30,00,000**	**1,30,00,000**	**1,30,00,000**	**1,30,00,000**

Details of shareholders holding more than 5% of aggregate shares capital (In terms of number of shares)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Class of shares / Name of shareholder	**Number of shares held**	**Number of shares held**	**Number of shares held**	**Number of shares held**	**Number of shares held**
Anjana Haresh Motwani	71,97,335	66,30,000	66,30,000	66,30,000	66,30,000
Karan Haresh Motwani	63,70,000	63,70,000	63,70,000	63,70,000	63,70,000
Total	**1,35,67,335**	**1,30,00,000**	**1,30,00,000**	**1,30,00,000**	**1,30,00,000**

Details of shareholders holding more than 5% of aggregate shares capital (In terms of number of % holding)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Class of shares / Name of shareholder	**% Holding**	**% Holding**	**% Holding**	**% Holding**	**% Holding**
Anjana Haresh Motwani	50.56%	51.00%	51.00%	51.00%	51.00%
Karan Haresh Motwani	44.75%	49.00%	49.00%	49.00%	49.00%
Total	**95.31%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

▪ During the period Sept-2021, shareholding of Anjana Haresh Motwani has decreased by 0.44% and Karan Haresh Motwani has decreased by 4.25%.

Details of promoters holding shares

Particulars	As at 30th Sept, 2021		As at 30th Sept, 2020		As at 31st March, 2021		As at 31st March, 2020		As at 31st March, 2019	
Class of shares / Name of shareholder	**Number of shares held**	**% Holding**	**Number of shares held**	**% Holding**	**Number of shares held**	**% Holding**	**Number of shares held**	**% Holding**	**Number of shares held**	**% Holding**
Anjana Haresh Motwani	71,97,335	50.56%	66,30,000	51.00%	66,30,000	51.00%	66,30,000	51.00%	66,30,000	51.00%
Karan Haresh Motwani	63,70,000	44.75%	63,70,000	49.00%	63,70,000	49.00%	63,70,000	49.00%	63,70,000	49.00%
Total	**1,35,67,335**	**95.31%**	**1,30,00,000**	**100.00%**	**1,30,00,000**	**100.00%**	**1,30,00,000**	**100.00%**	**1,30,00,000**	**100.00%**

▪ Promoters do not hold any class of shares other than stated above.

HP ADHESIVES LIMITED

DETAILS OF OTHER EQUITY AS RESTATED **ANNEXURE VI**

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(A) Securities Premium					
Opening balance	-	-	-	-	-
Add: Premium received on issue of shares	2,031.49	-	-	-	-
Less: Premium utilised for buy-back of shares	-	-	-	-	-
Closing balance	**2,031.49**	**-**	**-**	**-**	**-**
(B) Surplus / (Deficit) in the Statement of Profit and Loss					
Opening balance	(34.12)	(1,051.56)	(1,051.56)	166.23	(408.33)
Add / (Less): Transactions in Capital Accounts **		-	-	(734.74)	167.49
Add / (Less): transfer on Conversion on LLP to Company ***		-	-	-	-
Add: Adjustment of Ind AS of previous years		13.69	-	-	-
	(34.12)	**(1,037.87)**	**(1,051.56)**	**(568.51)**	**(240.84)**
Add: Total Comprehensive Income for the year	335.45	299.17	1,017.45	(483.06)	407.07
Less: Other Adjustments	(0.24)	(0.80)			
Less: Re-measurement (gain)/loss on post employment benefit obligation (net of tax)			-	-	-
Less: Transfer on Conversion on Firm to Company **			-	-	-
Closing balance	**301.09**	**(739.51)**	**(34.12)**	**(1,051.56)**	**166.23**
TOTAL	**2,332.58**	**(739.51)**	**(34.12)**	**(1,051.56)**	**166.23**

** The transactions in Partners Capital Accounts other than transfer of Profits have been shown in Adjustment in statement of Profit and Loss to make the Ind AS statements comparable.

*** On Conversion of Firm to Company, the Balance in Capital Accounts have been transferred to Loan Accounts of the Directors (erstwhile Partners)

Notes :

1. The figures disclosed above are based on the restated summary of assets and liabilities of the company.
2. The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure I, II and III.

Reconciliation of Opening Reserve	**Retained Earnings**
The details of adjustments to Retained Earnings as on 01.04.2018 as below to give the effect of Ind AS adjustments	
Balance as on 01.04.18	87.00
Application of ECL under Ind AS	(594.24)
ROU Assets and Lease liability recognised as per Ind AS 116	(15.20)
Provision for Gratuity as per Ind AS 19	(57.54)
Deferred Tax Assets recognised as per Ind AS 12	171.65
	(408.33)

Notes :

1. The figures disclosed above are based on the restated summary of assets and liabilities of the company.
2. The above statement should be read with the notes to restated summary statements of assets and liabilitie and cash flows appearing in Annexure I, II and III.

HP ADHESIVES LIMITED
DETAILS OF LONG TERM BORROWINGS AS RESTATED

ANNEXURE VII

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Borrowings measured at Amortised Cost					
Secured					
Loan from Bank					
(A) TERM LOANS					
(a) Term Loan from ICICI Bank	296.89	-	334.00	-	-
(b) Term Loan from Indusind Bank	-	15.02	33.26	33.20	90.46
(c) Machinery Loan from Indusind Bank	124.00	-	-	-	-
(B) LOANS REPAYABLE ON DEMAND					
(a) ECLGS Loan from ICICI Bank (Repayable in 48 monthly instalments)	133.32	213.31	179.98	-	-
(b) ECLGS Loan from Indusind Bank (Repayable in 48 monthly instalments)	171.33	257.00	214.17	-	-
(C) VEHICLE LOANS					
(a) Vehicle Loan from BMW Financial Services (Repayable on 60 EMI of Rs.92,868/-)	22.74	31.42	27.15	35.19	-
(b) Vehicle Loan from Daimler Financial Services India Pvt.Ltd. (Repayable on 60 EMI of Rs.108,902/-)	40.46		45.48	-	-
(c) Vehicle Loan HDFC Bank (Repayable on 60 EMI of Rs.21,322/-)	-	0.63	0.20	2.15	6.26
(d) Vehicle Loan HDFC Bank (Repayable on 36 EMI of Rs.31,869/-)	-	-	-	2.06	8.26
(e) Vehicle Loan ICICI Bank (Repayable on 36 EMI of Rs.37,766/-)	12.38	-	14.13	-	-
(f) Vehicle Loan ICICI Bank (Repayable on 48 EMI of Rs.32,748/-)	4.62	7.95	6.33	5.13	-
(g) Vehicle Loan ICICI Bank (Repayable on 48 EMI of Rs.32,748/-)	-	-	-	-	-
(h) Vehicle Loan ICICI Bank (Repayable on 48 EMI of Rs.32,748/-)	-	-	-	-	-
Total	**805.76**	**525.34**	**854.69**	**77.72**	**104.98**

Terms and conditions:

Secured Loan

** ICICI Bank*

Against Hypothecation of company's entire stock of Raw Material, semi finished & Finished goods, consumable Stores & Spares and such other movable current assets including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank.

Personal Guarantee of Directors - Karan Motwani & Anjana Motwani and Relative - Nidhi Motwani.

Collateral Charge of Residential Property of Karan Motwani (Director).

 # Indusind Bank

Against Hypothecation of company's entire current Assets.

Personal Guarantee of Directors - Karan Motwani & Anjana Motwani.
Collateral Charge of Industrial Land & Building (owners Karan Motwani & Anjana Motwani).

HP ADHESIVES LIMITED

NATURE OF SECURITY AND TERMS OF REPAYMENT OF LONG TERM BORROWINGS INCLUDING CURRENT MATURITIES

ANNEXURE VIII

S. no.	Lender	Nature of facility	Sanction Amount	Amount o/s as at Sept 30, 2021	Rate of Interest	Repayment terms	Principle terms & conditions
1	BMW Financial Services	Vehicle Loans	45,00,000	31,48,241	8.75%	60 Months EMI Rs.92,868/-	NA
2	Daimler Financial Services India Pvt.Ltd.	Vehicle Loans	55,00,000	50,32,265	6.99%	60 Months EMI Rs.1,08,902/-	NA
3	ECLGS LOAN A/C-ICICI	Term loan	2,39,97,588	2,13,31,189	8.25%	48 Months	NA
4	HDFC Bank (Tata Truck Loan)53302196	Vehicle Loans	8,49,703	63,069	8.51%	60 Months EMI Rs.21,322/-	NA
5	ICICI BANK NEW Car Loan MG Hector Plus-LAMUM00042267658	Vehicle Loans	18,75,000	15,80,410	7.80%	36 Months EMI Rs.37,766/-	MG Hector Car
6	ICICI New Term Loan A/C 564751634001001	Term loan	10,00,00,000	3,34,00,000	8.00%	6 Years EMI Rs. 4,63,889/-.	Against Collateral charge of Resi property Flat No.201, 2nd Flr, Mahran CHSL, Plot No.16, Juhu Scheme,Mumbai -400049 of Nidhi Motwani & comm property S NO. 7/18, Narangi Taluka Khalapur, Raigad of Anjana Motwani.
7	ICICI Tempo Loan Lvmum00041112728	Vehicle Loans	12,99,500	7,95,399	9.26%	48 Months EMI Rs.32,748/-	NA
8	Term Loan - FRP Project 506000451618-Indusind Bank	Term loan	33,25,714	14,54,090	8.70%	7.5 Years EMI Rs.3,11,937/-	Factory Land
9	Indusind Machinery Loan	Term Loan	1,24,00,000	1,24,00,000	8.00%	5 Years	Machinery
10	IND - 570000009911 ECLGS LOAN	Loans repayable on demand	2,57,00,000	2,57,00,000	9.25%	48 Months	NA

NA- Not Applicable

HP ADHESIVES LIMITED

DETAILS OF DEFERRED TAX LIABILITIES AS RESTATED **ANNEXURE IX (A)**

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at March 31st, 2021
Depreciation as per Companies Act	141.00	104.34	190.33
Depreciation as per Income Tax Act	118.49	102.57	205.13
Difference in Depreciation	22.51	1.78	(14.80)
Reversal of Expected Credit Loss	(159.10)	-	(110.13)
Prior Period Items	-	-	(177.88)
Difference due to Ind-AS 116	-	-	(0.25)
Gratuity Provision	20.25	22.18	33.27
MSME Interest Provision	10.94	-	7.21
Preliminary Expense allowed as per IT Act	(28.46)	-	(3.00)
Total Timing Difference	(133.86)	23.95	(265.58)
Tax Rate as per Income Tax Act	25.17%	25.17%	25.17%
Net (DTL)/DTA for the year	**(33.69)**	**6.03**	**(66.84)**

OTHER NON CURRENT PROVISIONS AS RESTATED **ANNEXURE IX (B)**

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Provisions for gratuity	105.75	115.76	119.18	101.26	55.38
Total	**105.75**	**115.76**	**119.18**	**101.26**	**55.38**

OTHER NON CURRENT LIABILITIES AS RESTATED **ANNEXURE IX (C)**

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Lease Liability	337.16	24.15	14.52	73.61	5.08
Total	**337.16**	**24.15**	**14.52**	**73.61**	**5.08**

DETAILS OF TRADE PAYABLES AS RESTATED **ANNEXURE X**

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Total outstanding dues of micro, small and medium enterprises*	1,338.24	625.79	396.01	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	1,276.92	805.35	2,193.02	1,526.79	1,457.36
Total	**2,615.16**	**1,431.14**	**2,589.04**	**1,526.79**	**1,457.36**

* The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the Company.

DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED **ANNEXURE XI**

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Borrowings					
Loan repayable on demand					
Secured					
Cash credit	1,463.53	1,858.87	1,804.58	1,786.42	-
Bank Overdraft	-0.06	-0.06	-0.06	16.48	1,698.22
Packing Credit	239.05	223.73	210.76	234.60	212.86
Letter of Credit	-	-	16.14	58.57	-
Working capital Demand Loan	222.24	284.80	252.41	357.79	-
Unsecured					
Loan from Related Parties	-	-	-	874.40	342.27
Total	**1,924.76**	**2,367.33**	**2,283.83**	**3,328.26**	**2,253.35**
Lease liabilities					
Lease liability	141.21	37.85	24.25	38.77	5.49
Total	**141.21**	**37.85**	**24.25**	**38.77**	**5.49**
Other Financial liabilities					
Current maturity of long term loans*	243.29	501.44	1,081.92	55.08	-
Security deposits	1.00	1.00	1.00	-	-
Payable to Employees	126.36	151.84	132.21	126.52	66.10
Payable towards services received	36.71	79.53	10.30	-	-
Payable towards stores, spares and consumables	39.33	103.80	197.05	96.37	5.50
Total	**446.69**	**837.62**	**1,422.48**	**277.97**	**71.60**
Other Current liabilities					
Statutory dues payable	27.92	15.26	20.95	8.32	50.69
Advances received from customers	114.66	146.32	106.35	-	194.68
Total	**142.59**	**161.58**	**127.30**	**8.32**	**245.37**

* Includes Interest Free Loan taken from Directors - Karan Motwani & Anjana Motwani as of 31-Mar-21. It has been repaid as of 30-Sep-2021.

DETAILS OF SHORT TERM PROVISIONS AS RESTATED **ANNEXURE XII**

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits	53.78	-	35.02	-	6.90
Provision for expenses	-	-	106.64	-	-
Provision of Income Tax (Net of Advance Tax)	162.11	54.48	135.07	-	-
Total	**215.89**	**54.48**	**276.72**	**-**	**6.90**

DETAILS OF FIXED ASSETS AS RESTATED **ANNEXURE XIII**

(₹ in Lakh)

Particulars	Building	Plant & equipment	Furniture & Fixture	Vehicles	Office equipment	Computers	Total
Gross block :							
As at April 1, 2018	183.64	673.60	41.00	111.32	19.17	37.87	1,066.60
Addition/(Deletion)	25.72	234.08	7.14	77.13	2.00	5.06	351.13
As at March 31, 2019	209.36	907.68	48.14	188.45	21.17	42.93	1,417.73
As at April 1, 2019	209.36	907.68	48.14	188.45	21.17	42.93	1,417.73
Addition/(Deletion)	-	187.82	59.55	0.74	1.28	12.58	261.97
As at March 31, 2020	209.36	1,095.50	107.69	189.19	22.44	55.51	1,679.70
As at April 1, 2020	209.36	1,095.50	107.69	189.19	22.44	55.51	1,679.70
Addition	-	26.47	-	0.05	1.68	5.33	33.54
(Deletion)	-	-	-	-	-	-	-
As at Sept 30, 2020	209.36	1,121.98	107.69	189.24	24.12	60.84	1,713.23
As at Sept 30, 2020	209.36	1,121.98	107.69	189.24	24.12	60.84	1,713.23
Addition	739.12	166.32	0.33	75.80	1.11	14.17	996.86
(Deletion)	-	-	-	-8.30	-	-	-8.30
As at March 31, 2021	948.49	1,288.30	108.02	256.74	25.23	75.01	2,701.79
As at March 31, 2021	948.49	1,288.30	108.02	256.74	25.23	75.01	2,701.79
Addition	10.00	27.51	0.10	12.34	0.41	8.23	58.59
(Deletion) *	-	-191.28	-	-	-	-	-191.28
As at Sept 30, 2021	958.49	1,124.54	108.12	269.08	25.64	83.24	2,569.10
Accumulated depreciation							
As at April 1, 2018	64.19	289.36	21.76	54.26	8.83	30.96	469.37
Addition/(Deletion)	5.00	44.87	1.86	17.13	1.59	3.09	73.54
As at March 31, 2019	69.19	334.23	23.62	71.39	10.42	34.05	542.91
As at April 1,2019	69.19	334.23	23.62	71.39	10.42	34.05	542.91
Addition/(Deletion)	4.99	45.06	4.37	26.38	7.27	4.79	92.85
Adjustments	8.76	81.28	0.45	1.49	0.40	1.15	93.53
As at March 31, 2020	82.95	460.57	28.43	99.26	18.09	39.99	729.29
As at April 1, 2020	82.95	460.55	28.44	99.27	18.09	39.99	729.29
Addition	2.33	25.38	2.22	14.59	2.07	3.19	49.77
(Deletion)	-	-	-	-	-	-	-
As at Sept 30, 2020	85.28	485.93	30.65	113.86	20.16	43.18	779.06
As at Sept 30, 2020	85.28	485.93	30.65	113.86	20.16	43.18	779.06
Addition	11.50	29.22	2.19	11.40	0.75	4.75	59.80
(Deletion)				-2.89			-2.89
As at March 31, 2021	96.78	515.14	32.84	122.37	20.91	47.93	835.97
As at March 31, 2021	96.78	515.14	32.84	122.37	20.91	47.93	835.97
Addition	14.03	35.27	2.22	13.79	1.15	6.19	72.66
(Deletion)		-36.01					
As at Sept 30, 2021	110.82	514.41	35.07	136.16	22.06	54.11	872.62
Net Block							
As at March 31, 2019	**140.17**	**573.45**	**24.52**	**117.05**	**10.75**	**8.87**	**874.82**
As at March 31, 2020	**126.42**	**634.93**	**79.25**	**89.93**	**4.36**	**15.52**	**950.41**

Particulars	Building	Plant & equipment	Furniture & Fixture	Vehicles	Office equipment	Computers	Total
As at Sept 30, 2020	**124.08**	**636.05**	**77.03**	**5.38**	**3.96**	**17.66**	**934.17**
As at March 31, 2021	**851.70**	**773.16**	**75.17**	**134.38**	**4.32**	**27.08**	**1,865.82**
As at Sept 30, 2021	**847.67**	**610.14**	**73.05**	**132.93**	**3.58**	**29.12**	**1,696.49**

** Machineries related to FRP Division has been disposed off by the company during the period ended Sept-21.*

DETAILS OF ROU ASSETS

Particulars	(₹ in Lakh)
Cost	
As at 31st March, 2019	3.45
Additions	206.98
Disposals/Adjustments	-
As at 31st March, 2020	**210.44**
Additions	-
Disposals/Adjustments	-
As at 30th Sept, 2020	210.44
Additions	-
Disposals/Adjustments	-
As at 31st March, 2021	**210.44**
Additions	504.12
Disposals/Adjustments	-
As at 30th Sept, 2021	**714.56**
Amortisation	
As at 31st March, 2019	0.32
Amortisation recognised	95.17
As at 31st March, 2020	**95.50**
Amortisation recognised	2.46
As at 30th Sept, 2020	**97.96**
Amortisation recognised	74.22
As at 31st March, 2021	**172.18**
Amortisation recognised	66.05
As at 30th Sept, 2021	**238.22**
Net book value	
As at 30th Sept, 2021	**476.33**
As at 31st March, 2021	**38.26**
As at 30th Sept, 2020	**112.48**
As at 31st March, 2020	**114.94**
As at 31st March, 2019	**3.13**

Amortisation includes impact of Incremental Rent and additional Lease agreement executed during the relevant period.

DETAILS OF INTANGIBLE ASSETS

Particulars	(₹ in Lakh)
Cost	
As on 1st April, 2018	2.14
Additions	-
Disposals/Adjustments	-

As at 31st March, 2019	**2.14**
Additions	15.85
Disposals/Adjustments	-
As at 31st March, 2020	**17.99**
Additions	6.51
Disposals/Adjustments	-
As at 30th Sept, 2020	**24.50**
Additions	-
Disposals/Adjustments	-
As at 31st March, 2021	**24.50**
Additions	4.30
Disposals/Adjustments	**-**
As at 30th Sept, 2021	**28.80**
Amortisation	
As on 1st April, 2018	1.46
Amortisation recognised	0.17
As at 31st March, 2019	1.63
Amortisation recognised	1.60
As at 31st March, 2020	3.23
Amortisation recognised	1.96
As at 30th Sept, 2020	5.19
Amortisation recognised	2.13
As at 31st March, 2021	7.32
Amortisation recognised	2.29
As at 30th Sept, 2021	9.61
Net book value	
As at 30th Sept, 2021	**19.19**
As at 31st March, 2021	**17.18**
As at 30th Sept, 2020	**19.31**
As at 31st March, 2020	**14.76**
As at 31st March, 2019	**0.51**

DETAILS OF OTHER NON CURRENT ASSETS **ANNEXURE XIV**

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Financial Assets					
Security deposits	69.04	53.45	39.71	88.53	33.24
Total	**69.04**	**53.45**	**39.71**	**88.53**	**33.24**
Other non current assets					
Demand paid under Protest*	15.88	15.88	15.88	15.88	150.44
Total	**15.88**	**15.88**	**15.88**	**15.88**	**150.44**

**For VAT and CST litigation matters*

DETAILS OF INVENTORIES AS RESTATED **ANNEXURE XV**

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Raw materials and components	1,561.71	967.32	1,281.05	836.22	806.35
Work-in-progress	182.74	86.22	201.79	59.67	-
Finished goods	1,625.08	998.93	1,756.85	956.14	646.03
Total	**3,369.53**	**2,052.46**	**3,239.69**	**1,852.03**	**1,452.38**

DETAILS OF TRADE RECEIVABLES AS RESTATED **ANNEXURE XVI**

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Receivables considered good - Unsecured	2,880.79	1,937.71	2,286.61	1,979.85	2,240.84
Receivables considered doubtful - Unsecured	544.85	814.08	703.95	814.08	668.70
Less:					
Impairment for Trade Receivable under expected credit loss	(544.85)	(814.08)	(703.95)	(814.08)	(668.70)
Total	**2,880.79**	**1,937.71**	**2,286.61**	**1,979.85**	**2,240.84**

Notes:

1. Trade receivables has been taken as certified by the management of the company.
2. Provisioning for expected credit loss has been done as per the guidance of Ind AS 109.
3. For details of Trade Receivables with related party, refer note no. XXV Related Party disclosure.
4. Trade receivables are generally non interest bearing.
5. Movement in expected credit loss allowance of trade receivable

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the period/year	703.95	814.08	814.08	668.70	-
Additions during the period/year	(159.10)	-	(110.13)	145.38	668.70
	544.85	**814.08**	**703.95**	**814.08**	**668.70**

DETAILS OF CASH & CASH EQUIVALENTS AS RESTATED **ANNEXURE XVII**

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Balances with banks:					
On current accounts	26.94	58.27	58.40	49.55	123.57
Fixed deposits with maturity of less than 3 months	21.87	27.52	10.39	6.11	49.64
Cash on hand	19.50	16.28	14.30	19.99	17.74
Total	**68.30**	**102.07**	**83.10**	**75.65**	**190.95**

DETAILS OF SHORT TERM LOANS & ADVANCES AS RESTATED **ANNEXURE XVIII**

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Loan					
Loan to staff	108.71	124.73	116.65	122.51	82.29
Total	**108.71**	**124.73**	**116.65**	**122.51**	**82.29**
Current Tax assets (Net)					
Advance Income Tax (Net of Provisions)	-	-	-	15.30	292.66
Total	**-**	**-**	**-**	**15.30**	**292.66**
Other Current Assets					
(a) Capital Advances	157.75	17.39	23.19	-	-
(b) In Fixed Deposit Accounts with maturity 3-12 months	58.68	-	40.15	42.00	-
(c) Advances other than capital Advances					
Prepaid expenses	33.33	19.40	24.87	10.93	-
GST Receivable / Refund	12.78	39.43	79.84	21.34	5.44
VAT Receivable / Refund	3.42	4.56	3.42	6.20	6.20
TDS Receivable	7.79	8.07	9.24	6.28	-
TCS Receivable	4.16	-	3.43	-	-
Advances to vendors	148.83	353.81	223.54	1.94	163.13
Other advances	2.25	-	2.23	-	9.90
Share Issue Expenses	142.30	-	15.00	-	-
Insurance Claim Receivable		-	26.06	-	-
Total	**571.29**	**442.66**	**450.97**	**88.69**	**184.67**

DETAILS OF REVENUE FROM OPERATIONS AS RESTATED **ANNEXURE XIX**

(₹ in Lakh)

Particulars	Six Month Period ended Sept 30, 2021	Six Month Period ended Sept 30, 2020	For the year ended 2021	For the year ended 2020			For the year ended 2019
				1st Apr 2019 to 7th May 2019	8th May 2019 to 31st Mar 2020	Total	
Revenue from Operations (Net)	7,051.58	4,492.92	11,816.16	1,096.70	8,451.23	9,547.93	8,741.75
Total	**7,051.58**	**4,492.92**	**11,816.16**	**1,096.70**	**8,451.23**	**9,547.93**	**8,741.75**

DETAILS OF OTHER INCOME AS RESTATED **ANNEXURE XX**

(₹ in Lakh)

Particulars	Six Month Period ended Sept 30, 2021	Six Month Period ended Sept 30, 2020	For the year ended 2021	For the year ended 2020			For the year ended 2019
				1st Apr 2019 to 7th May 2019	8th May 2019 to 31st Mar 2020	Total	
(a) Interest Income							
Interest Income on Fixed deposits with banks		-	0.71	2.97	4.91	7.88	8.18
Interest on Staff Loan	0.01	0.06	0.11	-	0.12	0.12	-
Interest on MSME	3.10	4.09	4.09	-	-	-	-
Other interest income	1.34	2.48	3.37	0.18	5.12	5.30	0.52
(b) Other Non-operating Income							
Rental income on Non - Residential Property	6.00	6.00	13.00	-	11.00	11.00	-
Renting Machinery And Equipments		-	-	-	84.00	84.00	-
Jobwork Charges	-	148.72	346.76	-	70.00	70.00	3.57
(c) Other Gains and Losses							
Net Foreign exchange gain	30.88	4.87	36.11	5.96	33.24	39.20	22.91
Excise Excess Duty Refund	-	-	0.09	-	3.35	3.35	-
Duty Drawback Refund	10.42	9.43	21.75	1.64	19.42	21.06	19.51
Freight/Transportation Charges Recovered		0.51	1.42	-	0.91	0.91	0.75
Provision for expected credit loss no longer required written back	159.10	-	110.13	-	-	-	-
Scrap sale of Packing material	-	0.22	0.22	-	-	-	-
Discount received	-	5.59	7.98	-	-	-	-
Sundry Balance written off	-	-	0.00	-	-	-	0.40
Miscellaneous income	10.81	-	26.06	-	-	-	0.05
Total	**221.65**	**181.97**	**571.80**	**10.75**	**232.07**	**242.82**	**55.89**

DETAILS OF COST OF MATERIAL CONSUMED AND CHANGE IN INVENTORIES AS RESTATED

ANNEXURE XXI
(₹ in Lakh)

Particulars	Six Month Period ended Sept 30, 2021	Six Month Period ended Sept 30, 2020	For the year ended 2021	For the year ended 2020			For the year ended 2019
				1st Apr 2019 to 7th May 2019	8th May 2019 to 31st Mar 2020	Total	
Cost of material consumed							
Raw materials at the beginning of the period	637.81	836.22	836.22	-	-	806.35	504.21
Add : Purchases	5,261.10	3,258.50	9,509.96	744.64	5,873.53	6,618.17	6,365.20
Less : Raw materials at the end of the period	1,561.71	967.32	637.81	-	-	836.22	806.35
Total	**4,337.20**	**3,127.40**	**9,708.36**			**6,588.30**	**6,063.06**
Change in inventories							
Inventories at the beginning of the year	2,601.89	1,015.81	1,015.81			646.03	295.13
Less: Inventories at the end of the year	1,807.82	1,085.15	2,601.89			1,015.81	646.03
Net (increase) / decrease in inventories	**794.07**	**(69.33)**	**(1,586.07)**			**(369.78)**	**(350.90)**

DETAILS OF EMPLOYEE BENEFIT EXPENSES AS RESTATED

ANNEXURE XXII
(₹ in Lakh)

Particulars	Six Month Period ended Sept 30, 2021	Six Month Period ended Sept 30, 2020	For the year ended 2021	For the year ended 2020			For the year ended 2019
				1st Apr 2019 to 7th May 2019	8th May 2019 to 31st Mar 2020	Total	
Salaries and wages	679.84	558.26	1,376.38	155.12	1,012.23	1,167.35	873.07
Directors Remuneration/ Partners' Salary	55.75	23.26	46.53		50.00	50.00	50.10
Gratuity expense	20.25	22.18	33.27	-	17.59	17.59	14.87
Bonus	18.92	22.74	17.41	-	34.39	34.39	-
Total	**774.76**	**626.45**	**1,473.58**	**155.12**	**1,114.21**	**1,269.33**	**938.04**

DETAILS OF FINANCE COSTS AS RESTATED

ANNEXURE XXIII
(₹ in Lakh)

Particulars	Six Month Period ended Sept 30, 2021	Six Month Period ended Sept 30, 2020	For the year ended 2021	For the year ended 2020			For the year ended 2019
				1st Apr 2019 to 7th May 2019	8th May 2019 to 31st Mar 2020	Total	
Interest on secured borrowing	128.22	104.98	209.47	15.66	44.80	60.46	147.98
Interest on un-secured borrowing	-	-	3.83	-	18.14	18.14	41.14
Loan Processing Charges	13.27	-4.12	-	0.84	10.85	11.69	25.45
Interest to Partners	-	-	-	18.66	-	18.66	174.89
Interest on OD	-	0.61	0.61	-	152.21	152.21	-
LC Charges	0.53	0.64	2.56	-	2.96	2.96	-
Interest expenses on financial liabilities measured at amortised cost*	18.51	3.92	6.26	-	7.16	7.16	1.18
Interest on Delay of MSME Creditors payment	10.94	-	7.21	-	-	-	-
Bank Charges & Commission	0.93	4.86	25.37	-	23.41	23.41	-
Total	**172.41**	**110.89**	**255.31**	**35.16**	**259.52**	**294.68**	**390.64**

*Lease Liability includes impact of Incremental Rent and additional Lease agreement executed during the relevant period.

DETAILS OF OTHER EXPENSES AS RESTATED

ANNEXURE XXIV
(₹ in Lakh)

Particulars	Six Month Period ended Sept 30, 2021	Six Month Period ended Sept 30, 2020	For the year ended 2021	For the year ended 2020			For the year ended 2019
				1st Apr 2019 to 7th May 2019	8th May 2019 to 31st Mar 2020	Total	
Production expenses	152.01	98.68	269.69	16.73	233.52	250.25	164.85
Telephone and communication charges	5.74	4.28	18.54	1.02	26.95	27.97	13.05
Printing & Stationery	2.06	2.17	8.33	0.75	22.63	23.38	13.65
Repairs & Maintenance expenses							
Machinery	34.75	16.90	45.06	6.35	45.37	51.72	39.14
Conveyance and travelling expenses	81.91	7.74	128.33	18.93	279.82	298.75	213.12
Net impairment loss (ECL)	-	-	-	-	145.38	145.38	74.46

Insurance charges	22.24	16.16	28.99	6.57	13.99	20.56	23.48
Business promotion expenses	5.63	2.03	11.75	1.17	313.28	314.45	42.44
Legal & professional charges **	42.41	38.77	61.73	11.22	56.75	67.97	159.40
Lease Rent & License Fees	15.34	3.89	2.25	5.06	26.18	31.24	28.33
Rates & Taxes	-	4.13	5.86	-	12.80	12.80	1.04
Inspection and testing expenses	-	-	16.90	-	19.70	19.70	-
Membership & subscription	0.88	1.55	2.37	0.12	0.70	0.82	3.30
Auditor's Remuneration*	-	-	21.28	-	18.68	18.68	-
Computer consumables, software & maintenance charges	1.83	0.70	3.90	0.22	5.10	5.32	5.19
Marketing & selling expenses	187.51	177.30	380.60	28.49	252.56	281.05	333.78
Bad-Debts	59.77	1.95	2.05	-	1.88	1.88	101.29
Discount Allowed	-	-	-	-	-	-	-
Donation	-	-	-	-	3.00	3.00	-
Miscellaneous expenses	20.75	6.73	15.78	4.05	32.00	36.05	60.83
Total	**632.83**	**382.97**	**1,023.41**	**100.68**	**1,510.28**	**1,610.96**	**1,277.35**

**Legal & Professional Fees of Rs. 127.30 Lakhs has not been recognised as it pertains to IPO expenses which will be recovered from Selling shareholder/adjusted from Securities premium later.

*Note : The following is the break-up of Auditor's remuneration (excluding input credit of service tax / GST availed, if any)

Particulars	**Six Month Period ended Sept 30, 2021**	**Six Month Period ended Sept 30, 2020**	**For the year ended 2021**	**For the year ended 2020**			**For the year ended 2019**
				1st Apr 2019 to 7th May 2019	**8th May 2019 to 31st Mar 2020**	**Total**	
Statutory Audit Fee	-	-	15.00	-	4.60	4.60	-
Taxation Matters/Tax Audit	-	-	2.00	-	1.98	1.98	-
Certification Fees	-	-	2.00	-	2.31	2.31	-
For reimbursement of Expenses	-	-	2.28	-	-	-	-
Other Professional Services*	-	-	-	-	9.79	9.79	-
Total	**-**	**-**	**21.28**	**-**	**18.68**	**18.68**	**-**

** Reclassified from Legal Charges*

DETAILS OF RELATED PARTY TRASANCTIONS AS RESTATED

ANNEXURE XXV
(₹ in Lakh)

Name	Relationship	Nature of Transaction	Transactions For the Period Ended 30th Sept, 2021	Amount Receivable / (payable) as at 30th Sept 2021	Transactions For the Period Ended 30th Sept, 2020	Amount Receivable / (payable) as at 30th Sept 2020	Transactions For the Period Ended 31st March, 2021	Amount Receivable / (payable) as at 31st March 2021	Transactions For the Period Ended 31st March, 2020	Amount Receivable / (payable) as at 31st March 2020	Transactions For the Period Ended 31st March, 2019	Amount Receivable / (payable) as at 31st March 2019
HP COMPOSITES LLP	Director is Partner	Business Transactions - Sale	417.29	598.71	-	20.10	109.52	62.13	449.16	154.05	-	-
		Business Transactions - Sale of Assets	183.22		-							
		Business Transactions - Purchase	78.61		396.57		612.19		154.07		-	
		Rental Services Given	6.00		6.00		13.00		165.00		-	
		Job-Work Services Given	-		148.72		346.76		-		-	
ANJANA MOTWANI	Director	Loan Taken	163.39	-	193.45	(199.05)	938.84	(786.41)	1,338.46	(523.54)	100.22	(1,307.92)
		Loan Repaid	949.80		499.44		675.77		814.92		114.23	
		Interest On Partners Capital	-		-		-		-		117.62	
		Share of Profits	-		-		-		-		125.31	
		Remuneration Paid	17.30		2.00		14.60		20.00		10.10	
		Rent Paid	30.00		-		-		-		-	
		Bonus Paid	-		-		4.01		-		-	
KARAN MOTWANI	Director	Loan Taken	750.09	-	0.14	(165.26)	166.58	(164.91)	807.11	(167.10)	47.40	(640.57)
		Loan Repaid	915.00		4.67		168.76		640.01		51.97	
		Interest On Partners Capital	-		-		-		-		57.27	
		Share of Profits	-		-		-		-		41.77	
		Remuneration Paid	38.45		3.00		21.90		30.00		40.00	
		Rent Paid	30.00		-		-		-		-	

Name	Relationship	Nature of Transaction	Transactions For the Period Ended 30th Sept, 2021	Amount Receivable / (payable) as at 30th Sept 2021	Transactions For the Period Ended 30th Sept, 2020	Amount Receivable / (payable) as at 30th Sept 2020	Transactions For the Period Ended 31st March, 2021	Amount Receivable / (payable) as at 31st March 2021	Transactions For the Period Ended 31st March, 2020	Amount Receivable / (payable) as at 31st March 2020	Transactions For the Period Ended 31st March, 2019	Amount Receivable / (payable) as at 31st March 2019
		Bonus Paid	-		-		6.02		-		-	
NIDHI MOTWANI	Director Daughter	Interest Paid on Unsecured Loans	-	(1.55)	-	(56.24)	-	-	18.14	(183.74)	41.14	(342.27)
		Loan Taken	-		75.00		286.00		756.41		1,106.50	
		Loan Repaid	-		202.50		469.74		572.68		805.36	
		Salary Paid	13.80		9.00		21.60		4.00		-	
HP TRADING	Director Prop. Firm	Business Transactions - Sale	-	-	-	75.27	-	47.72	63.20	75.27	-	142.14
		Business Transactions - Purchase	-		-		-		132.50		17.54	
HP SALES CORPORATION	Director Prop. Firm	Business Transactions - Sale	-	-	-	-	-	-	21.97	-	-	28.40
		Business Transactions - Purchase	-		-		-		21.97		-	
HP MARKETING	Director Daughter Prop. Firm	Business Transactions - Sale	-	-	-	22.17	-	-	-	-	-	21.40
		Business Transactions - Purchase	-		-		-		-		71.30	
HP PLASTIC HUF (HARESH MOTWANI HUF)	Director Father HUF	Business Transactions - Rent Paid	-	-	-	-	-	-	-	-	1.80	(3.60)
HP PLASTIC KHM (KARAN	Director HUF	Loan Taken	-	-	-	-	-	-	-	-	5.50	-
		Loan Repaid	-		-		-		-		5.50	

Name	Relationship	Nature of Transaction	Transactions For the Period Ended 30th Sept, 2021	Amount Receivable / (payable) as at 30th Sept 2021	Transactions For the Period Ended 30th Sept, 2020	Amount Receivable / (payable) as at 30th Sept 2020	Transactions For the Period Ended 31st March, 2021	Amount Receivable / (payable) as at 31st March 2021	Transactions For the Period Ended 31st March, 2020	Amount Receivable / (payable) as at 31st March 2020	Transactions For the Period Ended 31st March, 2019	Amount Receivable / (payable) as at 31st March 2019
HARESH MOTWANI HUF)												
ADVANCE SOLVENT ADHESIVES	Director Prop. Firm	Business Transactions - Sale	3.11	18.67	1.36	13.74	3.14	15.52	-	-	5.27	8.97
		Business Transactions - Purchase	-				-		-		9.51	

Note -

Loan taken from Directors - Karan Motwani & Anjana Motwani are unsecured repayable on demand and are interest free.

Factory land has been taken from Directors on Long-term Lease basis.

All other transactions with related parties disclosed above are made on terms equivalent to those that prevail in arm's length transactions subject to transactions with HP Composites LLP as being non-comparable, hence not commented upon.

Related parties taken as identified by management.

CAPITALIZATION STATEMENT AS RESTATED AS AT SEPTEMBER 30, 2021

ANNEXURE XXVI
(₹ in Lakh)

Particulars	Pre-issue	Post-issue
Borrowings		
Short term debt (A)	2,168.05	[•]
Long term debt (B)	805.76	[•]
Total debts (C)	**2,973.81**	[•]
Shareholders' funds		
Share capital	1,423.49	[•]
Other equity	2,332.58	[•]
Total shareholders' funds (D)	**3,756.08**	[•]

Note -

1. The figures disclosed are based on Restated statement of Assets and Liabilities of the company as on September 30, 2021.
2. Lease Liability not considered in Long Term & Short Term Debts.

DETAILS OF TAX SHELTERS AS RESTATED

ANNEXURE XXVII
(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021
Profit before tax as restated	420.98	392.17	1,323.02
Add			
Depreciation Debited in P&L A/c	141.00	104.34	190.34
Non deductible expenditure	50.34	45.10	78.32
Disallowance due to Sec 43B (Bonus)	18.92	22.74	35.02
Interest on late payment on TDS	0.23	0.18	0.31
Non Deduction of TDS on expenses - Hotel Expenses	-	-	1.46
MSME Interest	10.94	-	7.21
Non Deduction of TDS on expenses - Car Loan Interest	-	-	1.04
Gratuity	20.25	22.18	33.27
	612.31	541.61	1,591.68
Less			
Allowable Expenditure	306.21	125.31	350.59
Expenses Allowed u/s 43B	0.15	22.74	32.33
Reversal of Expected Credit Loss	159.10	-	110.13
Preliminary	28.46	-	3.00
Depreciation as per Chart u/s 32	118.49	102.57	205.13
	306.10	416.30	1,241.09
Brought Forward Business Loss Set off	-	-	100.37
Brought Forward Depreciation Set off	-	-	146.54
Gross Total Income	306.10	416.30	994.18
Tax Due @ 22% (Company has opted for Sec 115 BAA)	67.34	91.59	218.72
Surcharge @ 10%	6.73	9.16	21.87
	74.08	100.75	240.59
Health & Education Cess @ 4.00%	2.96	4.03	9.62
Current Tax	**77.04**	**104.78**	**250.22**

Note :-

Provisions of MAT are not applicable as company has opted to pay tax under Sec 115 BAA of IT Act, 1961.

OTHER FINANCIAL INFORMATION AS RESTATED
ANNEXURE XXVIII

(₹ in Lakh)

1. Reconciliation of restated net worth and return on restated net worth & Reconciliation of net asset value per equity share

Particulars	For the six months ended Sept 30th, 2021	For the six months ended Sept 30th, 2020	For the year ended March 31st, 2021	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Restated PAT as per statement of profit & loss (Rs. In lacs) (For Basic EPS purpose) (A)	310.24	293.42	1,005.96	-467.05	400.07
Restated Earnings before Interest, Tax, Depreciation and Amortisation (Rs. In lacs)	734.38	607.40	1,768.67	691.95	870.09
Weighted average number of equity shares at the end of the year/period (B)	1,39,79,966	1,30,00,000	1,30,00,000	1,30,00,000	1,30,00,000
No. Of Equity shares at the end of the year/period	1,42,34,947	1,30,00,000	1,30,00,000	1,30,00,000	1,30,00,000
(Absolute number) (C)					
Net Worth as restated (D) (Rs. In lacs)	3,756.08	560.49	1,265.88	248.44	1,466.23
Earnings per Share					
Basic or Diluted earnings per share (A)/(B)*10^5 #	2.22	2.26	7.74	-3.59	3.08
Return on Net Worth (%) (A)/(D)#	8%	52%	79%	-188%	27%
Net Asset Value per Equity share (D)/(C)*10^5	26.39	4.31	9.74	1.91	11.28
Nominal value per equity share (in Rs.)	10	10	10	10	10

 # not annualised for period ended 30 Sept 2021 and 30 Sept 2020)

2. Reconciliation of Profit/(loss) for the period/year to our EBITDA

Particulars	For the six months ended Sept 30th, 2021	For the six months ended Sept 30th, 2020	For the year ended March 31st, 2021	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Restated profit/(loss) for the period/year attributable to equity shareholders (I)	310.24	293.42	1,005.96	(467.05)	400.07
Add:					
Finance Cost (II)	172.41	110.89	255.31	294.68	390.64
Total Tax Expense/(income) (III)	110.73	98.75	317.06	(69.00)	5.84
Depreciation (IV)	141.00	104.34	190.34	189.62	73.54
Exceptional items	-	-	-	743.71	-
Less:					
Other Income (VI)	-	-	-	-	-
EBITDA (VII=I+II+III+IV+V-VI)	**734.38**	**607.40**	**1,768.67**	**691.95**	**870.09**

3. Reconciliation of EBITDA margin

Particulars	For the six months ended Sept 30th, 2021	For the six months ended Sept 30th, 2020	For the year ended March 31st, 2021	For the year ended March 31st, 2020	For the year ended March 31st, 2019
EBITDA (I)	734.38	607.40	1,768.67	691.95	870.09
Revenue from Operations (II)	7,273.23	4,674.89	12,387.96	9,790.75	8,797.64
EBITDA margin (I/II)	10.10%	12.99%	14.28%	7.07%	9.89%

4. Reconciliation of Gross Profit and Gross Profit margin

Particulars	For the six months ended Sept 30th, 2021	For the six months ended Sept 30th, 2020	For the year ended March 31st, 2021	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Revenue from operations (I)	7,273.23	4,674.89	12,387.96	9,790.75	8,797.64
Less: Cost of goods sold (II)	(5,131.26)	(3,058.07)	(8,122.29)	(6,218.52)	(5,712.16)
Gross Profit (III=I+II)	**2,141.97**	**1,616.82**	**4,265.66**	**3,572.23**	**3,085.48**
Gross Profit margin (IV=III/I) (in %)	29.45%	34.59%	34.43%	36.49%	35.07%

5. Reconciliation of cost of goods sold **(₹ in Lakh)**

Particulars	For the six months ended Sept 30th, 2021	For the six months ended Sept 30th, 2020	For the year ended March 31st, 2021	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Cost of Material consumed(I)	4,337.20	3,127.40	9,708.36	6,588.30	6,063.06
Purchase of Traded goods (II)	-	-	-	-	-
Changes in Finished goods and stock-in-trade (III)	794.07	(69.33)	(1,586.07)	(369.78)	(350.90)
Cost of goods sold (IV=I+II+III)	**5,131.26**	**3,058.07**	**8,122.29**	**6,218.52**	**5,712.16**

6. Reconciliation of Total Income to our revenue from sale of products **(₹ in Lakh)**

Particulars	For the six months ended Sept 30th, 2021	For the six months ended Sept 30th, 2020	For the year ended March 31st, 2021	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Total Income	7,273.23	4,674.89	12,387.96	9,790.75	8,797.64
Less:					
Other Income	-	-	-	-	-
Revenue from Operations (III=I+II)	7,273.23	4,674.89	12,387.96	9,790.75	8,797.64
Less:					
Sale of Services (IV)	-	-	-	-	-
Other Operating Revenue (V)	(221.65)	(181.97)	(571.80)	(242.82)	(55.89)
Revenue from sale of products (VI=III+IV+V)	**7,051.58**	**4,492.92**	**11,816.16**	**9,547.93**	**8,741.75**

7. Sale of Other Operating Revenue

Particulars	For the six months ended Sept 30th, 2021	For the six months ended Sept 30th, 2020	For the year ended March 31st, 2021	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Rental income on Non - Residential Property	6.00	6.00	13.00	11.00	-
Renting Machinery And Equipments	-	-	-	84.00	-
Jobwork Charges	-	148.72	346.76	70.00	3.57
Interest Income	4.45	6.64	8.28	13.30	8.70
Net Foreign exchange gain	30.88	4.87	36.11	39.20	22.91
Excise Excess Duty Refund	-	-	0.09	3.35	-
Duty Drawback Refund	10.42	9.43	21.75	21.06	19.51
Freight/Transportation Charges Recovered	-	0.51	1.42	0.91	0.75
Provision for ECL no longer required written back	159.10	-	110.13	-	-
Scrap sale of Packing material	-	0.22	0.22	-	-
Discount received	-	5.59	7.98	-	-
Sundry Balance written off	-	-	0.00	-	0.40
Miscellaneous income	10.81	-	26.06	-	0.05
Other Operating Revenue	**221.65**	**181.97**	**571.80**	**242.82**	**55.89**

8. Reconciliation of Capital Turnover Ratio

Particulars	Financial Year 2021	Financial Year 2020	Financial Year 2019
Equity Share capital as per Restated Ind AS financial statements (I)	1,300.00	1,300.00	1,300.00
Securities Premium as per Restated Ind AS financial statements (II)	-	-	-
Revenue from Operations (III)	12,387.96	9,790.75	8,797.64
Capital Turnover Ratio {IV=III/(I+II)}	**9.53**	**7.53**	**6.77**

9. Total Borrowings

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Non Current Liabilities - Borrowings (I)	1,049.05	1,026.78	1,936.61	132.80	104.98
Current Liabilities - Borrowings (II)	1,924.76	2,367.33	2,283.83	3,328.26	2,253.35
Total Borrowings (III=I+II)	**2,973.81**	**3,394.11**	**4,220.44**	**3,461.06**	**2,358.33**

Reconciliation of Total borrowings/Equity attributable to equity holders ratio

(₹ in Lakh)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Total Borrowings (III=I+II)	2,973.81	3,394.11	4,220.44	3,461.06	2,358.33
Equity attributable to equity holders	3,756.08	560.49	1,265.88	248.44	1,466.23
Total borrowings/Equity attributable to equity holders ratio	**0.79**	**6.06**	**3.33**	**13.93**	**1.61**

10. Reconciliation of Restated Profit/(Loss) margin

Particulars	For the six months ended Sept 30th, 2021	For the six months ended Sept 30th, 2020	For the year ended March 31st, 2021	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Restated Profit/(loss) for the period/year (I)	310.24	293.42	1,005.96	(467.05)	400.07
Revenue from Operations (II)	7,273.23	4,674.89	12,387.96	9,790.75	8,797.64
Restated Profit/(Loss) margin (III=I/II) (in%)	**4.27%**	**6.28%**	**8.12%**	**-4.77%**	**4.55%**

RESTATED CONTINGENT LIABILITIES AND COMMITMENTS

ANNEXURE XXIX
(₹ in Lakh)

A - Contingent Liabilities

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March , 2021	As at 31st March , 2020	As at 31st March, 2019
1. Letter of comfort issued to banks					
2. Claim against the company not acknowledged as debt					
(i) Tax matter dispute under appeal (MVAT & CST)*	144.30	144.30	144.30	144.30	144.30
(ii) Income Tax matter dispute under appeal (AY 14-15)	2.70	2.70	2.70	2.70	2.70
(iii) Demand raised under Central Excise "Order in original cum Show Cause Notice".#	-	-	-	-	2,822.86
(iv) Others- Uncrystilized effect of Bank Guarantee's given by company to Deputy Commissioner, Central Excise Anti Evasion Wing, Mumbai #	51.25	51.25	51.25	51.25	-
(V) Demand raised against short duty paid Under Sec. 11A(10) of Central Excise Act, 1944 (Appeal Filed In Tribunal , Appeal No. E/86416/2021)	2.06	-	-	-	-
Total	**200.31**	**198.25**	**198.25**	**198.25**	**2,969.86**

** Amount paid under protest Rs. 15.87 Lacs included in Other Non-current Assets*

 # Company has already settled the Excise duty dues under Sab Ka Vishwas Legacy Dispute Resolution Scheme in FY 2019-20.

INCOME TAXES

ANNEXURE XXX
(₹ in Lakh)

	Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(A)	**Deferred tax relates to the following:**					
	Deferred tax assets					
	On Unabsorbed depreciation	-	-	-	-	-
	On property, plant and equipment	-	-	-	-	-
	On provision for employee benefits - OCI	-	-	-	-	-
	On Others	10.19	-	10.19	-	-
	On Gratuity	5.10	5.58	-	-	-
	On MSME Interest	2.75	-	-	-	-
	On fair valuation of financial instruments	-	-	-	-	-
	On Expected credit loss on trade receivable	137.13	204.89	177.17	204.89	168.30
	On prior period errors	-	44.77	-	44.77	-
	On Leases	0.69	0.76	0.69	0.76	-
		155.86	255.99	188.05	250.41	168.30
	Deferred tax liabilities					
	On Depreciation	7.49	12.66	13.11	13.11	-
	On OCI - actuarial gain / loss	6.96	(3.45)	(1.52)	(5.38)	2.51
	On revaluation of Investment at amortised cost to fair value	-	-	-	-	-
	On amortisation of goodwill for tax purposes	-	-	-	-	-
	Interest expenses on financial liabilities measured at amortised cost	-	-	-	-	-
	On amortisation of transaction cost on borrowings	-	-	-	-	-
	On others	11.64	-	4.48	-	-
	Financial Guarantee	-	-	-	-	-
		26.09	9.21	16.07	7.73	2.51
	Deferred tax asset, net	**129.77**	**246.78**	**171.98**	**242.69**	**165.79**

(B) **Income tax expense**

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
- Current tax taxes	(77.04)	(104.78)	(250.22)	-	-
- Adjustments in respect of current income tax of previous year	-	-	-	-	-
- Deferred tax (charge) / income	(33.69)	6.03	(66.84)	69.00	(5.84)

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Income tax expense reported in the statement of profit or loss	**(110.73)**	**(98.75)**	**(317.06)**	**69.00**	**(5.84)**

(C) Income tax expense charged to OCI

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Net loss/(gain) on remeasurements of defined benefit plans	(8.48)	(1.93)	(3.86)	5.38	(5.84)
Income tax charged to OCI	**(8.48)**	**(1.93)**	**(3.86)**	**5.38**	**(5.84)**

(D) Reconciliation of tax Expense and the Accounting profit for the year as under

Profit before tax	420.98	392.17	1,323.03	(536.07)	405.91
Tax Rate	25.17%	25.17%	25.17%	25.17%	30.90%
Income tax expense at tax rates applicable	105.95	98.70	332.98	(134.92)	125.43
Tax effects on non deductible expenditure	4.78	0.05	46.22	203.92	-
Effect of change in Tax rate	-	-	-	-	-
Earlier year adjustment	-	-	-	-	-
Others (Tax effect of brought forward Losses/unabsorbed depreciation of current year on which no deferred tax asset is recognised	-	-	(62.14)	-	(125.43)
Income tax (expense) / income	**110.73**	**98.75**	**317.06**	**69.00**	-

(E) Unrecognised Deferred tax assets **(₹ in Lakh)**

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Deferred tax asset					
Deferred tax asset on business losses					
Deferred tax asset on unabsorbed depreciation					
Other Unrecognised deferred tax asset					
On unwinding of interest on borrowings from related parties	-	-	-	-	-
On Fair valuation of Security deposits given	-	-	-	-	-
Deferred tax liability					
On Fair valuation of interest free borrowings from related parties	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

OTHER ADDITIONAL ANNEXURES

ANNEXURE XXXI(A)- XXXI(H)

(₹ in Lakh)

EARNINGS/ LOSS PER SHARE **XXXI(A)**

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in Lakh)

Particulars	For Six Month Period ended 30th Sept, 2021	For Six Month Period ended 30th Sept, 2020	For the Year Ended 31st March, 2021	For the Period Ended 31st March, 2020	For the Year Ended 31st March, 2019
Ordinary equity shareholders					
Profit/(Loss) attributable to ordinary equity holders	310.24	293.42	1,005.96	(467.05)	400.07
Weighted average number of equity shares for basic EPS	1,39,79,966	1,30,00,000	1,30,00,000	1,30,00,000	1,30,00,000
Face Value per share	10	10	10	10	10
Basic Earnings / (Loss) per share (INR) *	2.22	2.26	7.74	(3.59)	3.08
Diluted Earnings / (Loss) per share (INR) *	2.22	2.26	7.74	(3.59)	3.08

**(not annualised for period ended 30 Sept 2021 and 30 Sept 2020)*

DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIERS" REGARDING THEIR STATUS UNDER THE ACT. **XXXI(B)**

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(i) Principal amount and the Interest due thereon remaining unpaid to each supplier at the end of each accounting year.					
Principal amount due to micro and small enterprise*	1,327.30	625.79	391.21		
Interest due on above**	10.94	-	7.21		
(ii) Interest paid by the company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period					
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006					
(iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year					
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises					
	1,338.24	**625.79**	**398.43**	**-**	**-**

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.

* includes Rs. 2.33 Lacs payable towards other financial liabilities

** includes Rs. .08 Lacs payable towards interest on other financial liabilities

For the FY 2018-19 & 2019-20,company has not received any information from the Suppliers regarding their status under MSME Act. Thus in absence of relevant information, trade payables are classified as other than MSME Trade Payables.

EMPLOYEE BENEFITS

XXXI(C)

Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –

Particulars	For Six Month Period ended 30th Sept, 2021	For Six Month Period ended 30th Sept, 2020	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Employers' Contribution to Recognised Provident Fund	18.62	8.47	21.01	14.71	-

Defined benefit pl

As per the payment of Gratuity Act, 1972, the Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (last drawn salary) for each completed year of service. The scheme of the Company is funded with an insurance company in the form of a qualifying insurance policy. Management aims to keep annual contribution relatively stable at such a level such that no plan deficits will arise. The Company has purchased an insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

i) Actuarial assumptions

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Discount rate (per annum)	6.80%	6.80%	6.80%	6.90%	6.90%
Rate of increase in Salary	7.00%	7.00%	7.00%	7.00%	7.00%

ii) Changes in the present value of defined benefit obligation

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Present value of obligation at the beginning of the year	119.18	101.26	101.26	62.28	57.54
Interest cost	3.89	7.68	6.70	4.50	3.85
Past service cost					
Current service cost	16.36	14.50	26.58	13.09	11.02
Curtailments					
Settlements					
Benefits paid					
Actuarial (gain)/ loss on obligations - Due to change in Demographic Assumptions					
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	-	0.69	1.38	8.40	(0.70)
Actuarial (gain)/ loss on obligations - Due to experience	(33.68)	(8.37)	(16.73)	12.98	(9.43)
Present value of obligation at the end of the year*	105.75	115.76	119.18	101.26	62.28

*Included under employee benefits (Refer Ann XXII)

iii) Change in the fair value of plan assets: **(₹ in Lakh)**

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Opening fair value of plan assets					
Adjustment to opening fair value of Plan asset	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-
Contributions by employer	-	-	-	-	-
Benefits paid	-	-	-	-	-
Interest Income	-	-	-	-	-
Return on plan assets excluding interest income	-	-	-	-	-
Closing fair value of plan assets	**-**	**-**	**-**	**-**	**-**

iv) Expense recognized in the Statement of Profit and Loss

Particulars	For Six Month Period ended 30th Sept, 2021	For Six Month Period ended 30th Sept, 2020	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Current service cost	16.36	14.50	26.58	13.09	11.02
Interest cost	3.89	7.68	6.70	4.50	3.85
Total expenses recognized in the Statement Profit and Loss*	20.25	22.18	33.27	17.59	14.87

v) Expense recognized in Other comprehensive income

Particulars	For Six Month Period ended 30th Sept, 2021	For Six Month Period ended 30th Sept, 2020	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Actuarial (gain) / loss on Obligation for the period					
changes in financial assumptions	-	0.69	1.38	8.40	(0.69)
changes in demographic assumptions					(0.01)
experience adjustment	(33.68)	(8.37)	(16.73)	12.98	(9.43)
Net actuarial (gains) / losses recognised in OCI	**(33.68)**	**(7.68)**	**(15.35)**	**21.39**	**(10.13)**

vi) Assets and liabilities recognized in the Balance Sheet:

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Present value of unfunded obligation as at the end of the year	105.75	115.76	119.18	101.26	62.28
Fair Value of Plan Assets at the end of the year					
Funded Status (Surplus / (Deficit))					
Net asset / (liability) recognized in Balance Sheet*	**105.75**	**115.76**	**119.18**	**101.26**	**62.28**

*Included in provision for employee benefits (Refer note XX)

vii) A quantitative sensitivity analysis for significant assumption as at 31st March, 2018 is as shown below:

Impact on defined benefit obligation	For Six Month Period ended 30th Sept, 2021	For Six Month Period ended 30th Sept, 2020	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Discount rate					
0.5% increase	99.63	56.26	112.53	-	59.01
0.5% decrease	112.45	63.23	126.47	-	65.85
Rate of increase in salary					
0.5% increase	112.19	63.21	126.42	-	65.86
0.5% decrease	99.65	56.26	112.51	-	58.98

viii) Maturity profile of defined benefit obligation

Year	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Expected Outgo First	6.79	-	9.36	-	6.90
Expected Outgo Second	4.34	-	7.30	-	2.57
Expected Outgo Third	6.15	-	5.29	-	3.16
Expected Outgo Fourth	7.38	-	9.94	-	4.26
Expected Outgo Fifth	6.67	-	5.55	-	3.21
Expected Outgo Six to Ten years	28.68	-	30.92	-	18.80

XXXI(D)

LEASES

Operating leases where Company is a lessee:

The table below provides details regarding the contractual maturities of lease liabilities as at various closing dates on an undiscounted basis

Particulars	As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Within one year	141.21	41.63	26.57	79.87	16.20
After one year but not more than five years	437.28	25.97	15.46	42.03	33.75
More than five years					

Future minimum rentals receivables under non-cancellable operating leases are, as follows: NA

SEGMENT REPORTING **XXXI(E)**

The Company operates primarily in adhesives & sealants segment. Considering the nature of Company's business and operations, as well as based on review of operating results by the chief operating decision maker to make decision about resource allocation and performance measurement, there is only one reportable business segment viz. "Adhesives & Sealants Products". Accordingly no separate disclosures has been made for segment reporting under Ind AS 108.

FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES **XXXI(F)**

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, commission payable and other financial liabilities (including creditors for expense etc.) approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial - term deposits is not significantly different from the carrying amount.

The amortized cost using effective interest rate (EIR) of Borrowing (non current and current) is not significantly different from the carrying amount, based on management estimate that interest rates has not changed materially.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

The impact of fair value on such portion is not material and therefore not considered for above disclosure. Similarly, carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.

Fair value measurement of assets and liabilities **(₹ in Lakh)**

Particulars	As at 30th Sept 2021		As at 30th Sept 2020		As at 31st March 2021		As at 31st March 2020		As at 31st March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
FINANCIAL ASSETS										
Trade receivables	2,880.79	2,880.79	1,937.71	1,937.71	2,286.61	2,286.61	1,979.85	1,979.85	2,240.84	2,240.84
Cash and cash equivalents	68.30	68.30	102.07	102.07	83.10	83.10	75.65	75.65	190.95	190.95
Loans	108.71	108.71	124.73	124.73	116.65	116.65	122.51	122.51	82.29	82.29
Security Deposits	69.04	69.04	53.45	53.45	39.71	39.71	88.53	88.53	33.24	33.24
FINANCIAL LIABILITIES										
Borrowings	2,973.81	2,973.81	3,394.11	3,394.11	4,220.44	4,220.44	3,461.06	3,461.06	2,358.33	2,358.33
Trade payables	2,615.16	2,615.16	1,431.14	1,431.14	2,589.04	2,589.04	1,526.79	1,526.79	1,457.36	1,457.36
Employee benefit payable	126.36	126.36	151.84	151.84	132.21	132.21	126.52	126.52	66.10	66.10

FAIR VALUE HIERARCHY

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

•Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	Level 1	Level 2	Level 3
As at 30th Sept, 2021			
FINANCIAL ASSETS			
(a) Financial assets measured at fair value through profit or loss			
Financial assets measured at amortized cost			
Trade receivables	-	2,880.79	-
Cash and cash equivalents	-	68.30	-
Loans	-	108.71	-
Security Deposits	-	69.04	-
FINANCIAL LIABILITIES			
Financial liabilities measured at amortized cost	-	-	-
Borrowings and Lease Liabilities	-	2,973.81	-
Trade payables	-	2,615.16	-
Employee benefit payable	-	126.36	-

Particulars	Level 1	Level 2	Level 3
As at 31st March, 2021			
FINANCIAL ASSETS			
(a) Financial assets measured at fair value through profit or loss			
Financial assets measured at amortized cost			
Trade receivables	-	2,286.61	-
Cash and cash equivalents	-	83.10	-
Loans	-	116.65	-
Security Deposits	-	39.71	-
FINANCIAL LIABILITIES			
Financial liabilities measured at amortized cost	-	-	-
Borrowings and Lease Liabilities	-	4,220.44	-
Trade payables	-	2,589.04	-
Employee benefit payable	-	132.21	-

Particulars	Level 1	Level 2	Level 3
As at 30th Sept, 2020			
FINANCIAL ASSETS			
(a) Financial assets measured at fair value through profit or loss			
Financial assets measured at amortized cost			
Trade receivables	-	-	1,937.71
Cash and cash equivalents	-	-	102.07
Loans	-	124.73	-
Security Deposits	-	53.45	-
FINANCIAL LIABILITIES			
Financial liabilities measured at amortized cost	-	-	-
Borrowings and Lease Liabilities	-	3,394.11	-
Trade payables	-	-	1,431.14
Employee benefit payable	-	-	151.84

(₹ in Lakh)

Particulars	Level 1	Level 2	Level 3
As at 31st March, 2020			
FINANCIAL ASSETS			
Financial assets measured at amortized cost	-	-	-
Trade receivables	-	-	1,979.85
Cash and cash equivalents	-	-	75.65
Loans	-	122.51	-
Security Deposits	-	88.53	-
Others	-	-	-
FINANCIAL LIABILITIES			
Financial liabilities measured at amortized cost			
Borrowings	-	3,461.06	
Trade payables	-	-	1,526.79
Others	-	-	126.52
Advance received against sale of Property	-	-	-

Particulars	Level 1	Level 2	Level 3
As at 31st March, 2019			
FINANCIAL ASSETS			
Financial assets measured at amortized cost	-	-	-
Trade receivables	-	-	-
Cash and cash equivalents	-	-	-
Bank balances other than cash and cash equivalent	-	-	-
Loans	-	82.29	-
Security Deposits	-	33.24	-

Investment in debentures	-	-	-
Investment in preference shares	-	-	-
Other assets	-	-	-
FINANCIAL LIABILITIES			
Financial liabilities measured at amortized cost	-	-	-
Borrowings	-	2,358.33	-
Trade payables	-	-	-
Others	-	-	-
Advance received against sale of Property	-	-	-

There have been no transfers between Level 1 and Level 2 during the period subject to rectification of prior period errors.

The carrying amount of cash and cash equivalents, trade receivables, fixed deposits, trade payables, other payables are considered to be the same as their fair values. The fair values of security deposits were calculated based on cash flows discounted using a current lending rate which are similar to the incremental borrowing rate on the date of the deposit discounting initial recognition.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES **XXXI(G)**

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company’s debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company’s profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Lakh)

Years		Outstanding Borrowing Amount		Increase/ decrease in basis points	Impact on profit before tax
Sep-21					
INR	Variable Interest Rate Borrowings	2,734.82	(₹ in Lakh)	+100	27.35
				-100	(27.35)
USD	Variable Interest Rate Borrowings	239.05	($ in '000)	+100	2.39
				-100	(2.39)
Mar-21					
INR	Variable Interest Rate Borrowings	2,582.07	(₹ in Lakh)	+100	25.82
				-100	(25.82)
USD	Variable Interest Rate Borrowings	210.76	($ in '000)	+100	2.11
				-100	(2.11)
Sep-20					
INR	Variable Interest Rate Borrowings	2,749.89	(₹ in Lakh)	+100	27.50
				-100	(27.50)
USD	Variable Interest Rate Borrowings	223.72	($ in '000)	+100	2.24
				-100	(2.24)
Mar-20					
INR	Variable Interest Rate Borrowings	1,894.67	(₹ in Lakh)	+100	18.95
				-100	(18.95)
USD	Variable Interest Rate Borrowings	234.60	($ in '000)	+100	2.35
				-100	(2.35)
Mar-19					
INR	Variable Interest Rate Borrowings	1,675.45	(₹ in Lakh)	+100	16.75
				-100	(16.75)
USD	Variable Interest Rate Borrowings	302.78	($ in '000)	+100	3.03
				-100	(3.03)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

Amt in $

Years	Outstanding Foreign currency Amount	Increase/ decrease in basis points	Impact on profit before tax
Sep-21	3,26,976	+5% -5%	16,348.80 (16,348.80)
Mar-21	4,27,175	+5% -5%	21,358.75 (21,358.75)
Sep-20	5,44,736	+5% -5%	27,236.80 (27,236.80)
Mar-20	2,00,255	+5% -5%	10,012.75 (10,012.75)
Mar-19	5,00,954	+5% -5%	25,047.70 (25,047.70)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdown's are planned to ensure that there is minimal surplus cash in bank accounts. The Company does not foresee any credit risks on deposits with regulatory authorities and lease deposits and/or any other financial assets.

Receivables Ageing	Gross Carrying amount (as on 30 Sep 2021)	Expected loss rate	Expected credit losses (loss allowance provision)	Carrying amount of trade receivables (net of impairment)
Not due	2,390.08	5%	107.34	2,282.74
0-30 days	385.74	9%	35.19	350.54
30-60 days	118.82	16%	18.91	99.91
60-90 days	51.79	27%	13.95	37.84
90-120 days	7.57	27%	2.04	5.53
120-150 days	82	43%	35	46.55

150-180 days	7	60%	4	2.98
More than 180 days	383	86%	328	54.69
Carrying amount of trade receivables (net of impairment)	**3,425.63**	**2.72**	**544.85**	**2,880.78**
			Total (INR lacs)	**2,880.78**

Receivables Ageing	Gross Carrying amount (as on 31 March 2021)	Expected loss rate	Expected credit losses (loss allowance provision)	Carrying amount of trade receivables (net of impairment)
Not due	1,354.24	5%	65.24	1,289.00
0-30 days	618.67	10%	60.02	558.65
30-60 days	263.11	17%	43.55	219.56
60-90 days	97.24	28%	26.98	70.25
90-120 days	46.37	28%	12.87	33.50
120-150 days	55	44%	24	31
150-180 days	11	60%	6	4
More than 180 days	545	85%	465	80
Carrying amount of trade receivables (net of impairment)	**2,990.56**	**2.76**	**703.95**	**2,286.61**
			Total (INR lacs)	**2,286.61**

Receivables Ageing	**Gross Carrying amount (as on 30 Sep 2020)**	**Expected loss rate**	**Expected credit losses (loss allowance provision)**	**Carrying amount of trade receivables (net of impairment)**
Not due	1,016.45	6%	60.86	955.59
0-30 days	569.09	11%	63.65	505.44
30-60 days	273.90	19%	51.11	222.79
60-90 days	143.46	31%	43.84	99.62
90-120 days \	32.90	31%	10.05	22.84
120-150 days	28	47%	13	14.60
150-180 days	46	62%	29	17.26
More than 180 days	626	84%	526	99.56
Carrying amount of trade receivables (net of impairment)	**2,735.26**	**2.90**	**797.55**	**1,937.71**

			Total (INR lacs)	**1,937.71**

Receivables Ageing	Gross Carrying amount (as on 31 March 2020)	Expected loss rate	Expected credit losses (loss allowance provision)	Carrying amount of trade receivables (net of impairment)
Not due	980.62	6%	58.28	922.34
0-30 days	590.89	12%	69.73	521.16
30-60 days	310.87	20%	61.91	248.96
60-90 days	105.13	33%	34.57	70.56
90-120 days	114.39	33%	37.61	76.78
120-150 days	50.28	50%	25.14	25.14
150-180 days	18.84	64%	11.96	6.88
More than 180 days	622.94	83%	514.86	108.08
Carrying amount of trade receivables (net of impairment)	**2,793.97**	**2.99**	**814.08**	**1,979.89**
			Total (INR lacs)	**1,979.89**

Receivables Ageing	Gross Carrying amount (as on 31st March 2019)*	Expected loss rate	Expected credit losses (loss allowance provision)	Carrying amount of trade receivables (net of impairment)
Not due	1,616.18	5%	82.98	1,533.21
0-30 days	436.00	13%	56.11	379.89
30-60 days	118.17	21%	25.28	92.90
60-90 days	65.90	35%	23.14	42.76
90-120 days	56.36	35%	19.79	36.57
120-150 days	68.85	51%	34.93	33.92
150-180 days	49.53	61%	30.39	19.15
More than 180 days	498.54	79%	396.09	102.45
Carrying amount of trade receivables (net of impairment)	**2,909.54**	**3.01**	**668.70**	**2,240.84**
			Total (INR lacs)	**2,240.84**

* Gross figures considered above are without effects of On-Account Receipts and Discounts.

The following table summarizes the changes in loss allowances measured using life time expected credit loss model -

Particulars	As at 30th Sept, 2021	As at 31st Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st Mar, 2019
Opening Provision	703.94	814.07	814.07	668.69	594.24
Add: Adjustments during the year	(159.10)	-	(110.13)	145.38	74.45
Closing provision	**544.84**	**814.07**	**703.94**	**814.07**	**668.69**

(C) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

Particulars	Less than 1 year	1 year to 5 years	More than 5 years	Total
As at 30th Sept, 2021				
Borrowings				
Term Loans (Including Vehicle Loans)	243.29	731.54	74.22	1,049.05
Short term borrowings	1,762.86	161.90	-	1,924.76
Lease liabilities (Undiscounted)	141.21	437.28	-	578.49
Trade payables	2,598.88	15.70	-	2,614.58
	4,746.24	**1,346.42**	**74.22**	**6,166.88**
As at 31st March, 2021				
Borrowings				
Term Loans (Including Vehicle Loans)	238.50	994.36	4.64	1,237.50
Short term borrowings (Incl. Promoter Loan)	2,982.94	-	-	2,982.94
Lease liabilities (Undiscounted)	26.57	15.46	-	42.03
Trade payables	2,589.04	-	-	2,589.04
	5,837.05	**1,009.81**	**4.64**	**6,851.50**
As at 30th Sept, 2020				
Borrowings				
Term Loans (Including Vehicle Loans & Related Party Loans)	501.44	-	-	501.44
Short term borrowings	2,145.08	222.25	-	2,367.33
Lease liabilities (Undiscounted)	41.63	25.97	-	67.60
Trade payables	1,431.14	-	-	1,431.14
	4,119.29	**248.22**	**-**	**4,367.51**
As at 31st March, 2020				
Borrowings				
Term Loans (Including Vehicle Loans & Related Party Loans)	141.52	334.10	-	475.63
Short term borrowings	2,970.47	-	-	2,970.47
Lease liabilities (Undiscounted)	79.87	42.03	-	121.90
Trade payables	1,526.79	-	-	1,526.79

Particulars	Less than 1 year	1 year to 5 years	More than 5 years	Total
	4,718.65	**376.13**	**-**	**5,094.78**
As at 31st March, 2019				
Borrowings				-
Term Loans (Including Vehicle Loans & Related Party Loans)	43.82	61.16	-	104.98
Short term borrowings	2,233.54	-	-	2,233.54
Lease liabilities (Undiscounted)	6.15	121.90	-	128.05
Trade payables	1,457.36	-	-	1,457.36
	3,740.87	**183.06**	**-**	**3,923.93**

(D) **Risk due to outbreak of COVID 19 pandemic**

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants, warehouses and offices were shut post announcement of nationwide lockdown. Most of the operations have resumed post lifting of lockdown. The Company has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

CAPITAL MANAGEMENT **XXXI(H)**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors net debt i.e. total debt net off cash and cash equivalent. Total debt comprises of non-current and current borrowings. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars		As at 30th Sept, 2021	As at 30th Sept, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Equity	(i)	3,756.08	560.49	1,265.88	248.44	1,466.23
Borrowings		2,973.81	3,394.11	4,220.44	3,461.06	2,358.33
Less: cash and cash equivalents		(68.30)	(102.07)	(83.10)	(75.65)	(190.95)
Net debt	(ii)	**2,905.51**	**3,292.03**	**4,137.34**	**3,385.41**	**2,167.38**
Net Debt to equity ratio	**(ii)/ (i)**	**77%**	**587%**	**327%**	**1363%**	**148%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2021, 31st March, 2020 and 31st March , 2019 subject to conversion of Partnership firm to company.

Expenditure towards corporate social responsibility (CSR) Activities ;

The Company has to make provision & expenditure on CSR Activities which management estimates to incur till end of the financial year 2021-22 . Corporate Social responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. prescribed CSR expenditure required to be spent in the FY 21-22 as per the Companies Act, 2013 is Rs. 7.87 Lacs .

Social Security Code

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The

Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Previous period figures for the six months ended 30 Sept 2020 are not comparable with those of the six months ended 30 Sept 2021, because of difference in magnitude of impact of COVID-19 on both the quarters.

The financial statements of the company were authorised for issued in accordance with a resolution of the directors on November 27, 2021.

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No: 011506C/C400307

Vaibhav Choudhary

(Partner)
Membership No: 407543
Place: Mumbai
Date: 27/11/2021

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
(Chairman)
DIN: 02650184

KARAN HARESH MOTWANI
(Managing Director)
DIN: 02650089

MIHIR SURESH SHAH
(Chief Financial Officer)
Place: Mumbai
Date: 27/11/2021

JYOTI NIKUNJ CHAWDA
Company Secretary
(Mem No.: 40074)
Date: 27/11/2021

OTHER FINANCIAL INFORMATION

OTHER FINANCIAL INFORMATION AS RESTATED

Particulars	For the six months ended Sept 30th, 2021	For the six months ended Sept 30th, 2020	For the year ended March 31st, 2021	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Restated PAT as per statement of profit & loss (Rs. In lacs) (For Basic EPS purpose) (A)	310.24	293.42	1,005.96	-467.05	400.07
Restated Earnings before Interest, Tax, Depreciation and Amortisation (Rs. In lacs)	734.38	607.40	1,768.67	691.95	870.09
Weighted average number of equity shares at the end of the year/period (B)	1,39,79,966	1,30,00,000	1,30,00,000	1,30,00,000	1,30,00,000
No. Of Equity shares at the end of the year/period	1,42,34,947	1,30,00,000	1,30,00,000	1,30,00,000	1,30,00,000
(Absolute number) (C)					
Net Worth as restated (D) (Rs. In lacs)	3,756.08	560.49	1,265.88	248.44	1,466.23
Earnings per Share					
Basic or Diluted earnings per share (A)/(B)*10^5 #	2.22	2.26	7.74	-3.59	3.08
Return on Net Worth (%) (A)/(D)#	8%	52%	79%	-188%	27%
Net Asset Value per Equity share (D)/(C)*10^5	26.39	4.31	9.74	1.91	11.28
Nominal value per equity share (in Rs.)	10	10	10	10	10

 # not annualised for period ended 30 Sept 2021 and 30 Sept 2020)

Notes -

1 The ratios have been computed as per the following formulas -

(i) Basic Earning per Share :

Restated Profit after Tax available to equity shareholders
Weighted average number of equity shares at the end of the year/period

(ii) Diluted Earning per Share :

Restated Profit after Tax available to equity shareholders
Weighted average number of equity shares at the end of the year/period + diluted shares at the end of the year/period

(iii) Net Asset Value per Equity Share :

Restated Net worth of equity shareholders
No. Of equity shares outstanding at the end of the year/period

(iv) Return on Net Worth (%) :

Restated Profit after Tax available to equity shareholders
Restated Net worth of equity shareholders

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements on page 202 of this Red Herring Prospectus. This Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward- looking statements as a result of various factors, including those described below and elsewhere in this Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 18. Also read "Risk Factors" and "- Qualitative Factors Affecting our Results of Operations and Financial Condition" on pages 28 and 125, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information for six months periods ended September 30, 2021 and 2020 and Fiscal 2021, 2020 and 2019 included herein is derived from the Restated Financial Statements, included in this Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and ICAI Guidance, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Restated Financial Statements" on page 202 of this Red Herring Prospectus.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. In this section, unless the context otherwise requires, any reference to "our Company", "we", "us" or "our" is a reference to HP Adhesives Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Assessment of the Adhesives and Sealants market in India" of November 2021 (the "CRISIL Report"), prepared and issued by CRISIL Limited and commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

OVERVIEW

We are a fast-growing multi-product, multi-category consumer adhesives and sealants company. We manufacture a wide range of consumer adhesives and sealants such as PVC, cPVC and uPVC solvent cement, synthetic rubber adhesive, PVA adhesives, silicone sealant, acrylic sealant, gasket shellac, other sealants and PVC pipe lubricant which are sold across India, through an extensive distribution network of distributors, and exported also to several countries, through network of distributors and direct customers. We also manufacture these products for select third-parties on order basis. Apart from the above products, we also provide ancillary products like ball valves, thread seal and other tapes and FRP products for drainage and architectural solutions that are distributed along with our products to the end- customers through our distribution network.

PRESENTATION OF FINANCIAL INFORMATION

Our Company was converted into a private limited company on May 07, 2019, pursuant to the provisions of Chapter XXI of the Companies Act. Thus, restated financial information for the financial year 2018-19 and for the period from April 01, 2019 to May 07, 2019 have been restated as per SEBI (ICDR), 2018 only for the purpose of the inclusion in this addendum and in subsequent

offer documents of the Company to be filed with SEBI, NSE, BSE, ROC and any other regulatory authority.

Our restated Ind AS summary statements of assets and liabilities as at September 30, 2021, September 30, 2020, March, 2021, March 31, 2020 and March 31, 2019, restated Ind AS summary statement of profit and loss (including other comprehensive income), cash flows and changes in equity for the six month period ended September 30, 2021 & September 30, 2020 and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 together with the summary of significant accounting policies and explanatory information thereon (collectively, the "Restated Financial Statements"), have been derived from our audited financial statements as at and prepared in accordance with Ind AS 34, and our audited financial statements as at and for the six month period ended September 30, 2021 & September 30, 2020 and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 each restated in accordance with Ind AS, and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

Except as disclosed in this Red Herring Prospectus, to our knowledge no circumstances have arisen since September 30,2021, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value or our ability to pay our material liabilities within the next 12 months.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factors" beginning on page *28* of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

i. Cost of raw materials consumed, and outward freight costs;
ii. Capacity utilization and capacity expansion;
iii. Employee and sales promotion expenses;
iv. Entering new markets and growing our network of dealers;
v. Changes in laws and regulations applicable to our Industry;
vi. Company's inability to successfully implement its growth and expansion plans;
vii. The economic environment, regulatory intervention and impact of COVID-19 outbreak

SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, under Chapter titled "Restated Financial Statements" beginning on page 202 of the Red Herring Prospectus.

CHANGES IN ACCOUNTING POLICIES

The audited financial statements for the financial year ended 2018-19 and 2019-20 were prepared as per Indian GAAP and for the Financial year 2020-21 and six months ended September 2021 it is prepared in accordance with the IND AS. But, in Restated financial statements financials for the reported periods it has been prepared in accordance with the IND AS.

PRINCIPAL COMPONENTS OF INCOME AND EXPENSES

Revenue and Expenses
Our revenue and expenses are reported in the following manner:

Total Revenue

Our Total Revenue comprises of revenue from operations and other income.

Revenue from operations:

Our principal component of revenue from operations is from manufacturing and selling of various adhesive and sealants alongwith few ancillary products which are either manufactured or traded by us. For ancillary products which do not enjoy economies of scale in India, we engage in sourcing the same from third party OEMs predominantly from outside India.
Other Income:

Our other income includes Job work charges, renting of machinery and equipments, rental income on non-residential property, net foreign exchange gain, net impairment gain- reversal of ECL, duty drawback refund, miscellaneous income, etc.

Expenses

Our expenses comprise of cost of material consumed, Changes in inventories of finished goods and work in progress, Employee Benefit Expenses, Finance Cost, Depreciation Expenses, Other Expenses.

Direct Expenditure
Our direct expenditure includes cost of material consumed, Changes in inventories of Raw material and packing material, work in progress and finished goods.

Employee benefit expenses:

Our employee benefit expenses which includes Salaries and Wages, Directors Remuneration, gratuity and Bonus.

Finance costs:

Our finance costs include interest on secured and unsecured loans, borrowing costs, Interest on delay of MSME creditors payments.

Depreciation and amortization expenses:

Our depreciation expenses majorly comprise of depreciation on Equipment, Vehicles and other fixed assets.

Other expenses:

Our other expenses mainly include Business promotion expenses, Marketing & selling expenses, production expenses (factory), travelling & conveyance expenses, Bad debts, legal and professional charges, repairs to plant and machinery, insurance charges, telephone and communication charges, inspection and testing charges, etc.

Our Results of Operations

The following table sets forth detailed total income data from our restated consolidated statement of profit and loss for the six month period ended September 30,2021 and September 30 2020 and for the Financial Years 2019, 2020 and 2021, the components of which are also expressed as a percentage of Total Income for such periods:

Particulars	Six month period ended				Financial Year ended March 31,					
	Sept 30th, 2021		Sept 30th, 2020		2021		2020		2019	
	Rs in Lakhs	*% of Total Income*	*Rs in Lakhs*	*% of Total Income*	*Rs in Lakhs*	*% of Total Income*	*Rs. in Lakhs*	*% of Total Income*	*Rs. in Lakhs*	*% of Total Income*
INCOME										
Revenue from operations	7,051.58	96.95	4,492.92	96.11	11,816.16	95.38	9,547.93	97.52	8741.75	99.36
Other income	221.65	3.05	181.97	3.89	571.80	4.62	242.82	2.48	55.89	0.64
Total Income	**7,273.23**	**100.00**	**4674.89**	**100.00**	**12,387.96**	**100.00**	**9,790.75**	**100.00**	**8797.64**	**100.00**
EXPENSES										
Cost of material consumed	4,337.20	59.63	3,127.40	66.90	9,708.36	78.37	6,588.30	67.29	6063.06	68.92
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	794.07	10.92	(69.33)	(1.48)	(1,586.07)	(12.80)	(369.78)	(3.78)	(350.90)	(3.99)
Employee benefits expenses	774.76	10.65	626.45	13.40	1,473.58	11.90	1,269.33	12.96	938.04	10.66
Other expenses*	632.83	8.70	82.97	8.19	1,023.41	8.26	1,610.95	16.45	1277.35	14.52
EBIDTA	**734.38**	**10.10**	**607.40**	**12.99**	**1,768.67**	**14.28**	**691.95**	**7.07**	**870.09**	**9.89**
Finance costs	172.41	2.37	110.89	2.37	255.31	2.06	294.68	3.01	390.64	4.44
Depreciation and amortisation expense	141.00	1.94	104.34	2.23	190.33	1.54	189.62	1.94	73.54	0.84
Total	**6852.25**	**4.31**	**4282.72**	**4.60**	**11,064.92**	**89.32**	**9,583.10**	**97.88**	**8,391.73**	**95.39**
Profit / (Loss) before exceptional items and tax	420.98	5.79	392.17	8.39	**1,323.03**	**10.68**	**207.65**	**2.12**	**405.91**	**4.61**
Exceptional items**	-	-	-	-	-	-	743.71	7.60	-	-
Profit / (Loss) before tax	**420.98**	**5.79**	**392.17**	**8.39**	**1,323.03**	**10.68**	**-536.06**	**-5.48**	**405.91**	4.61
Tax expense										
Current tax	(77.04)	(1.06)	(104.78)	(2.24)	(250.22)	(2.02)	-	-	-	-
Deferred tax (expense) / income	(33.69)	(0.46)	6.03	0.13	(66.84)	(0.54)	69	0.70	(5.84)	(0.07)
Total Tax Expense	**(110.73)**	**(1.52)**	**(98.75)**	**(2.11)**	**(317.06)**	**(2.56)**	**69**	**0.70**	**(5.84)**	**(0.07)**
Profit / (Loss) for the year	**310.24**	**4.27**	**293.42**	**6.28**	**1,005.97**	**8.12**	**(467.06)**	**(4.77)**	**400.07**	**4.55**

**Other expenses for the financial year 2019-20 include business promotional expenses of Rs. 313.28 Lakhs.*

***In financial year 2019-2020, in order to settle disputed excise tax demand of Rs, 1,405.82 Lakhs for the period January 2012 to July 2015 and aggregate disputed sales tax demand of Rs. 116.40 Lakhs for Assessment Years 2012-13 and 2013-14, our Company paid a sum of Rs. 688.17 Lakhs towards Sabka Vishwas Legacies Dispute Resolutions Scheme and Rs. 55.54 Lakhs towards Mahavat Amnesty Scheme, 2019, respectively and thereby has incurred an aggregate expenditure of Rs.743.71 Lakhs in FY 2019-20.*

Six month period ended September 30, 2021 compared with the Six month period ended September 30, 2020

Total Income

Our total Income increased by ₹ 2,598.34 lacs, or by 55.58%, from ₹ 4,674.89 lacs for the six month period ended September 30, 2020, to ₹ 7,273.23 lacs for the six month period ended September 30, 2021. This was primarily due to an increase in our revenue from operations on account of higher sales across product categories.

Revenue from Operations

Our revenue from operations increased ₹ 2,558.66 lacs, or by 56.95%, from ₹ 4,492.92 lacs for the six month period ended September 30, 2020, to ₹ 7,051.58 lacs for the six month period ended September 30, 2021. This increase was primarily driven by volume increase as well as better realisations across product categories

Other Income

Our other income increased by ₹ 39.68 lacs, or by 21.80%, from ₹ 181.97 lacs for the six month period ended September 30, 2020, to ₹ 221.65 lacs for the six month period ended September 30, 2021. The increase was partly due to increase in net foreign exchange gain and reversal of expected credit loss provisions but this increase was offset to a certain an extent by nil job work charges in relation to FRP products in six month period ended September 30, 2021.

Total Expenditure

Total expenses increased by ₹ 2,569.53 lacs, or by 60.00%, from ₹ 4,282.72 lacs for the six month period ended September 30, 2020, to ₹ 6,852.25 lacs for the six month period ended September 30, 2021. This increase was primarily driven by ₹ 1,209.80 lacs or by 38.68% increase in cost of materials consumed, ₹ 249.86 lacs or by 65.24% increase in other expenses, ₹ 61.52 lacs or by 55.48% increase in finance cost, ₹ 148.31 lacs or by 23.68% increase in employee benefit, over the six month period ended September 30, 2020 due to factors mentioned below:

Cost of materials consumed

Cost of materials consumed increased by ₹ 1,209.80 lacs or by 38.68% from ₹ 3,127.40 lacs for the six month period ended September 30, 2020, to ₹ 4,337.20 lacs for the six month period ended September 30, 2021. This was due to higher sales resulting in higher purchases of raw materials as well as high prices of raw materials.

Changes in inventories of finished goods and work-in-progress

Changes in inventories of finished goods and work-in-progress increased by 1245.32% from ₹ (69.33) lacs for the six month period ended September 30, 2020, to ₹ 794.07 lacs for the six month period ended September 30, 2021.

Employee benefits expense

Employee benefits expense increased by ₹ 148.31 lacs or by 23.68% from ₹ 626.45 lacs for the six month period ended September 30, 2020, to ₹ 774.76 lacs for the six month period ended September 30, 2021. This was primarily due to increase in the salaries and wages, including bonus, paid to our employees, which resulted from an increase in the number of employees due to general growth in our business operations as well as annual increment to employees.

Finance costs

Finance costs increased by ₹ 61.52 lacs or by 55.48% from ₹ 110.89 lacs for the six month period ended September 30, 2020 to ₹ 172.49 lacs for the six month period ended September 30, 2021. This increase in finance costs was primarily on account of higher utilisation of borrowings due to increased business operations as well as increase in interest cost expenses due to higher lease liabilities accounted for in the six months ended September 30, 2021.

Depreciation and amortisation expense

Our depreciation and amortization expense increased by ₹ 36.66 lacs, or 35.13%, from ₹ 104.34 lacs for the six month period ended September 30, 2020 to ₹ 141.00 lacs for the six month period ended September 30, 2021. The increase in depreciation was primarily due to increase in RoU assets on account of lease liabilities towards factory and office rent in the six months ended September 30, 2021.

Other expenses

Other expenses increased by ₹ 249.86 lacs or by 65.24% from ₹ 382.97 lacs for the six month period ended September 30, 2020 to ₹ 632.83 lacs for the six month period ended September 30, 2021. This was primarily due to an increase of i) ₹ 53.33 lacs in production expenses, as well as (ii) ₹ 74.17 lacs in Conveyance and travelling expenses, due to increased business operations and also due to increase of (iii) ₹ 57.83 lacs in Bad Debts.

Profit before tax

In light of above discussions, our profit before tax increased by ₹ 28.81 lacs or by 7.35% from ₹ 392.17 lacs for the six month period ended September 30, 2020 to ₹ 420.98 lacs for the six month period ended September 30, 2021. This increase is primarily due to higher revenues from operations.

Tax expense

Our total tax expense increased by ₹ 11.98 lacs from ₹ 98.75 lacs for the six month period ended September 30, 2020 to ₹ 110.73 lacs for the six month period ended September 30, 2021. This was primarily due to higher profit before tax in six months ended September 30, 2021 over September 30, 2020.

Profit

For the various reasons discussed above, we recorded an increase in our profit by ₹ 16.82 lacs or by 5.73% from ₹ 293.42 Lakhs for the six month period ended September 30, 2020 to ₹ 310.24 lacs for the six month period ended September 30, 2021.

FINANCIAL YEAR 2020-21 COMPARED WITH FINANCIAL YEAR 2019-20

Key Developments in FY2021:

We started construction of new facility spread over 8,000 Sq. Mtrs adjoining our existing manufacturing plot.
Expansion of sales and marketing activities has led to substantial increase in revenue from operation overcoming the negative impacts of COVID-19.

Total Revenue

Our total revenue increased by 26.53% to Rs. 12,387.96 lakhs for the financial year 2020-21 from Rs. 9,790.75 lakhs for the financial year 2019-20 due to the factors described below:

Revenue from operations

Our revenue from operations increased to 23.76% to Rs. 11,816.16 lakhs for the financial year 2020-21 from Rs. 9,547.93 lakhs for the financial year 2019-20. Our entire product portfolio has performed well in FY21 including the recently introduced product categories of Silicone Sealants, Rubber adhesives and PVA adhesives. Various factors contributed to this growth – key factors being expansion of our distribution network supported by increased sales force and business promotion expenses like channel partner meets, etc. done in previous year which showed results in FY21.

Other income

Our other income increased by 135.49% to Rs. 571.80 lakhs for the financial year 2020-21 from Rs. 242.82 lakhs for the financial year 2019-20. Primary component of Other income is job work charges in relation to FRP.

Total Expenses

Our total expenses increased by 15.46% to Rs. 11,064.92 lakhs for the financial year 2020-21 from Rs. 9,583.10 lakhs for the financial year 2019-20, due to the factors described below:

Cost of Materials Consumed:
Our Purchase of raw materials and packing material increased by 47.36% to Rs. 9,708.36 lakhs for the financial year 2020-21 from Rs. 6,588.30 lakhs for the financial year 2019-20. It was mainly due to increase in sales and specifically for certain items which had imported raw materials and therefore had to maintain higher inventory levels.

Changes in inventories of finished goods and work in progress:
Our changes in inventories increased by 328.92% to Rs. (1,586.06) lakhs for the financial year 2020-21 from Rs. (369.78) lakhs for the financial year 2019-20.

Employee benefits expenses
Our employee benefit expenses increased by 16.09% to Rs. 1,473.58 lakhs for the financial year 2020-21 from Rs. 269.33 lakhs for the financial year 2019-20. The increase was mainly due to increase in the number of employees/ workers.

Finance costs
Our finance costs decreased by 13.36% to Rs. 255.31 lakhs for the financial year 2020-21 from Rs. 294.68 lakhs for the financial year 2019-20. The finance cost decreased inspite of increased sales and expenses due to better monitoring and controlled usage of working capital credit facilities.

Depreciation expense
There was minor increase in our depreciation and amortization expense by 0.37% to Rs. 190.33 lakhs for the financial year 2020-21 from Rs. 189.62 lakhs for the financial year 2019-20.

Other expenses
Our other expenses decreased by 36.47% to Rs. 1,023.41 lakhs for the financial year 2020-21 from Rs. 10.95 lakhs for the FY 2019-20. When compared to FY 2019-20, due to effect of Covid-19 the business & promotional expenses reduced drastically by Rs. 302.69 Lakhs, conveyance and travelling expenses came down by Rs. 170.42 Lakhs, Printing & Stationery decreased by 15.06 Lakhs, miscellaneous expenses decreased by 20.27 Lakhs lease rent & license fees by Rs. 28.99 lakhs. Also, there was no net impairment loss (ECL) in the FY 2020-21 as compared to Rs. 145.38 in the FY 2019-20.

Profit before tax

Our profit before tax increased by 537.13% to Rs. 1,323.03 lakhs for the financial year 2020-21 from Rs. 207.65 lakhs for the financial year 2019-20. The substantial increase was primarily due to increase in revenue from operations.
Exceptional Items

Exceptional Items

In financial year 2019-2020, in order to settle disputed excise tax demand of Rs, 1,405.82 Lakhs for the period January 2012 to July 2015 and aggregate disputed sales tax demand of Rs. 116.40 Lakhs for Assessment Years 2012-13 and 2013-14, our Company paid a sum of Rs. 688.17 Lakhs towards Sabka Vishwas Legacies Dispute Resolutions Scheme and Rs. 55.54 Lakhs towards Mahavat Amnesty Scheme, 2019, respectively and thereby has incurred an aggregate expenditure of Rs.743.71 Lakhs in FY 2019-20.

Tax expenses

Since 2019-2020 was first financial year of the company (earlier it was partnership firm), there was introduction of current tax in FY 2020-21 of Rs. (250.22) and our deferred tax expense for the financial year 2020-21 amounted to Rs. 66.84 lakhs as compared to tax benefit of Rs. 69.00 Lakhs in the FY 2019-20.

Profit after tax

Our profit after tax increased by 315.39% to Rs. 1,005.97 lakhs for the financial year 2020-21 from loss of Rs. (467.06) lakhs in the financial year 2019-20. The substantial increase was primarily due to increased revenue and to exceptional items of Rs. 743.71 Lakhs, the company reported losses of Rs. (467.06) in the FY 2019-20.

In order to settle disputed excise tax demand of Rs, 1,405.82 Lakhs for the period January 2012 to July 2015 and aggregate disputed sales tax demand of Rs. 116.40 Lakhs for Assessment Years 2012-13 and 2013-14, our Company paid a sum of Rs. 688.17 Lakhs towards Sabka Vishwas Legacies Dispute Resolutions Scheme and Rs. 55.54 Lakhs towards Mahavat Amnesty Scheme, 2019, respectively and thereby has incurred an aggregate expenditure of Rs.743.71 Lakhs in FY 2019-20. Though, on operational front, Company had performed well during the FY 19-20 as well.

For FY 20-21, due to increased Revenue, Company reported substantial increase in the profit after tax to Rs. 1005.98 Lakhs in FY 2020-21.

Earning Per Share ("EPS)

Earning per share increased from Rs. (3.59) in the FY 2020 to Rs. 7.74 in the FY 2021 due to increase in the profit to Rs. 1005.98 lakhs in the FY 2021.**FINANCIAL YEAR 2019-20 COMPARED WITH FINANCIAL YEAR 2018-19**

Key Developments in FY2020:

Our Company was converted into a private limited company on May 07, 2019, pursuant to the provisions of Chapter XXI of the Companies Act, 2013.

Total Revenue
Our total revenue increased by 11.29% to Rs. 9,790.75 lakhs for the financial year 2019-20 from Rs. 8,797.64 lakhs for the financial year 2018-19 due to the factors described below:

Revenue from operations
Our revenue from operations increased to 9.22% to Rs. 9,547.93 lakhs for the financial year 2019-20 from Rs. 8741.75 lakhs for the financial year 2018-19. Our key product category of solvent cement did well alongwith our recently introduced products like Silicone Sealants, Rubber adhesives and PVA adhesives which showed good acceptance in the market. Key factors of growth were distribution network expansion as well as increase in sales force during the year FY20.

Other income
Our other income increased by 334.45% to Rs. 242.82 lakhs for the financial year 2019-20 from Rs. 55.89 lakhs for the financial year 2018-19. Increase is mainly on account of increase in job work charges by Rs. 66.43 Lakhs and introduction of income from renting machinery and equipments of FRP business to HP Composites LLP of Rs. 84.00 Lakhs as post the conversion of partnership firm into Pvt. Ltd., FRP business is being done by HP Composites which earlier in financial year 2018-19 was done in erstwhile partnership firm M/s HP International

Total Expenses
Our total expenses increased by 14.20% to Rs. 9,583.10 lakhs for the financial year 2019-20 from Rs. 8,391.73 lakhs for the financial year 2018-19, due to the factors described below:

Cost of Materials Consumed:
Our Consumption of raw materials and packing material increased by 8.66% to Rs. 6,588.30 lakhs for the financial year 2019-20 from Rs. 6,063.06 lakhs for the financial year 2018-19. It was mainly due to increase in Revenue.

Changes in inventories of finished goods and work in progress:
Our changes in inventories increased by 5.38% to Rs. (369.78) lakhs for the financial year 2019-20 from Rs. (350.90) lakhs for the financial year 2018-19.

Employee benefits expenses
Our employee benefit expenses increased by 35.32% to Rs. 1,269.33 lakhs for the financial year 2019-20 from Rs. 938.04 lakhs for the financial year 2018-19. The increase was mainly due to increase in the number of employees.

Finance costs
Our finance costs decreased by 24.57% to Rs. 294.68 lakhs for the financial year 2019-20 from Rs. 390.64 lakhs for the financial year 2018-19. The increase was mainly because the finance cost in financial year 2018-19 includes Interest paid on Partners Capital to the tune of Rs. 174.89 lakhs which came down to Rs. 18.66 lakhs in financial year 2019-20 as that was only for the period from 1-Apr-19 to 7-May-19 when the partnership firm was in existence. From the date of conversion of partnership firm into Company, there is no amount paid as Interest on Partners Capital.

Depreciation & Amortization expense
There was major increase in our depreciation and amortization expense by 157.85% to Rs. 189.62 lakhs for the financial year 2019-20 from Rs. 73.58 lakhs for the financial year 2018-19. This increase was mainly because of increase in Amortization of Right of Use Assets for the year FY2019-20 by Rs. 95.17 lakhs.

Other expenses
Our other expenses increased by 26.12% to Rs. 1,610.95 lakhs for the financial year 2019-20 from Rs. 1,277.35 lakhs for the FY 2018-19. Increase was mainly due to increase in business promotion expenses by Rs. 272.01 Lakhs, increase in production expenses by Rs. 85.40 Lakhs, increase in travelling and conveyance expenses by Rs. 85.63 Lakhs and increase in telephone and communication charges by Rs. 14.92 Lakhs. Also, there was decrease in legal & professional charges by Rs. 91.43 Lakhs and bad debts by Rs. 99.41 Lakhs.

Profit before tax

Our profit before tax decreased by 48.84% to Rs. 207.65 lakhs for the financial year 2019-20 from Rs. 405.91 lakhs for the financial year 2018-19. The substantial decrease was primarily due to increase in business promotion expenses by Rs. 272.01 Lakhs in the FY 2019-20.

Exceptional Items
In financial year 2019-2020, in order to settle disputed excise tax demand of Rs, 1405.82 Lakhs for the period January 2012 to July 2015 and aggregate disputed sales tax demand of Rs. 116.40 Lakhs for Assessment Years 2012-13 and 2013-14, our Company paid a sum of Rs. 688.17 Lakhs towards Sabka Vishwas Legacies Dispute Resolutions Scheme and Rs. 55.54 Lakhs towards Mahavat Amnesty Scheme, 2019, respectively and thereby has incurred an aggregate expenditure of Rs.743.71 Lakhs in FY 2019-20.

Tax expenses
Company incorporated on May 07, 2019 and thus there was no current tax in the FY 2019-20. Company had tax benefit of Rs. 69.00 Lakhs in the FY 2019-20 as compared to deferred tax expense of Rs. 5.84 Lakhs in the FY 2018-19.

Profit after tax
Our profit after tax decreased by 216.74% to Rs. (467.06) lakhs for the financial year 2019-20 from profit of Rs. 400.07 lakhs in the financial year 2018-19. The substantial decrease was primarily due to increase in business promotion expense and exceptional items of Rs. 743.71 Lakhs.

Due to exceptional items of Rs. 743.71 Lakhs, the company reported losses of Rs. (467.06) in the FY 2019-20. In order to settle disputed excise tax demand of Rs, 1,405.82 Lakhs for the period January 2012 to July 2015 and aggregate disputed sales tax demand of Rs. 116.40 Lakhs for Assessment Years 2012-13 and 2013-14, our Company paid a sum of Rs. 688.17 Lakhs towards Sabka Vishwas Legacies Dispute Resolutions Scheme and Rs. 55.54 Lakhs towards Mahavat Amnesty Scheme, 2019, respectively and thereby has incurred an aggregate expenditure of Rs.743.71 Lakhs in FY 2019-20. Though, on operational front, Company had performed well during the FY 19-20 as well.

Earning Per Share ("EPS)

Earning per share decreased to Rs. (3.59) in the FY 2020 from Rs. 3.08 in the FY 2019 due to loss of Rs. (467.05) lakhs in the FY 2020.

Cash Flow

The table below summaries our cash flows from our Restated Financial Information for the financial year 2021,2020 and 2019:

(Rs. In lakhs)

Particulars	Six months period Ended		For the year ended March 31,		
	Sep 30, 2021	Sep 30, 2020	2021	2020	2019
Net cash (used in)/ generated from operating activities	(743.97)	694.95	2152.92	283.70	228.90
Net cash (used in)/ generated from investing activities	(845.40)	(44.32)	(1,622.70)	(409.36)	(358.90)
Net cash (used in)/ generated from financing activities	1,574.57	(624.21)	(522.77)	10.37	142.69
Net increase/ (decrease) in cash and cash equivalents	(14.80)	26.42	7.46	(115.30)	12.74
Cash and Cash Equivalents at the beginning of the period	83.10	75.65	75.65	190.95	178.21
Cash and Cash Equivalents at the end of the period	68.30	102.07	83.10	75.65	190.95

Selected Balance Sheet Items:

Total equity (Net worth)

Our total equity increased by 570.14% from Rs. 560.49 lakhs for the six month period ended September 30, 2020 to Rs. 3,756.08 lakhs for the six month period ended September 30, 2021. Primary reason for increase in Net worth was internal accruals as well as raising of equity by way of Right issue in May and June 2021. For the FY 2021 it increased by 409.56% from Rs. 248.43 lakhs for the financial year 2021 to Rs. 1,265.89 Lakhs for the financial year 2020. The increase is on account of comprehensive income for the financial year 2021 which is Rs. 1,017.46 Lakhs. For the FY 2020 it decreased by 83.06% to Rs. 248.44 Lakhs from Rs. 1,466.23 Lakhs in the FY 2019, decrease was on account of loss of Rs. 467.05 Lakhs in the FY 2020 and impact of Transactions in Capital accounts other than transfer of Profits which have been shown in adjustment in Profit and Loss as part of Other Equity in FY2020 to make the Ind AS statements comparable between FY2018-19 and FY2019-20.

Total Current Assets

Our total current assets increased by 50.20% from Rs. 4659.63 Lakhs for the six month period ended September 30, 2020 to Rs. 6998.61 Lakhs for the six month period ended September 30, 2021. The increase is primarily due to increase in inventory from Rs. 2052.46 lakhs as of September 30, 2020 to Rs. 3369.53 lakhs as of September 30, 2021 and increase in Trade Receivables from Rs. 1937.71 lakhs as of September 30, 2020 to Rs. 2880.79 lakhs as of September 30, 2021. For the FY 2021 it increased by 49.42% to Rs. 6,177.03 lakhs for the financial year 2021 from Rs. 4,134.02 Lakhs for the financial year 2020. The increase is primarily on account of increase in inventories from Rs. 1852.03 lakhs in FY 2020 to Rs. 3239.69 in the FY 2021 and other current assets from Rs. 88.69 lakhs in FY 2020 to Rs. 450.97 in the FY 2021. For the Financial year 2020 it decreased by 6.97% to Rs. 4,134.02 Lakhs from Rs. 4,443.79 Lakhs in the FY 2019, decrease was on account of decrease in trade receivables by Rs. 260.99 Lakhs.

Total Non-Current Assets

Our total non-current assets increased by 81.04% from Rs. 1456.10 lakhs for the six month period ended September 30, 2020 to Rs. 3492.43 lakhs for the six month period ended September 30, 2021. This increase is primarily on account of increased net block of Property, plant and equipment and also increased capital work-in-progress. For the FY 2021 it increased by 81.04% to Rs. 2,800.86 lakhs for the financial year 2021 from Rs. 1,547.10 Lakhs for the financial year 2020. The increase is primarily on account of i) increase in property, plant and equipment from Rs. 950.41 lakhs in FY 2020 to Rs. 1865.82 in the FY 2021, this increase was due to the purchase of new corporate office of Rs. 739.12 Lakhs and addition of Rs. 192.80 Lakhs to the plant and

equipments. ii) Increase in capital work in progress from Rs. 119.91 Lakhs in the FY 2020 to Rs. 652.03 in the FY 2021. For the Financial year 2020 it increased by 25.99% to Rs. 1,547.10 Lakhs from Rs. 1,227.94 Lakhs in the FY 2019, increase was on account of increase in property, plant and equipment from Rs. 874.82 lakhs in FY 2019 to Rs. 950.41 in the FY 2020 and addition of capital work in progress as of end of FY20 which was Nil as of FY2018-19.

Total Current Liabilities

Our total current liabilities increased by 12.19% from Rs. 4889.99 lakhs for the six month period ended September 30, 2020 to Rs. 5486.30 lakhs for the six month period ended September 30, 2021. This increase is primarily due to higher Trade payables on account of increasing business operations. For the FY 2021 it increased by 29.80% to Rs. 6,723.61 lakhs for the financial year 2021 from Rs. 5,180.11 Lakhs for the financial year 2020. The increase is primarily on account of increase in trade payables from Rs. 1526.79 lakhs in FY 2020 to Rs. 2589.04 in the FY 2021. For the Financial year 2020 it increased by 28.22% to Rs. 5,180.11 Lakhs from Rs. 4,040.07 Lakhs in the FY 2019, increase was on account of increase in current borrowings from Rs. 2253.35 lakhs in FY 2019 to Rs. 3328.26 in the FY 2020.

Borrowings

Our total borrowings which include current borrowings, non-current borrowings and current portion of long term borrowings decreased by 12.38% to Rs. 2973.81 lakhs for the six month period ended September 30, 2021 from Rs. 3394.11 lakhs for the year ended September 30, 2020. For the FY 2021 it increased by 21.94% to ₹4,220.44 lakhs for the financial year 2021 from ₹ 3,461.06 Lakhs for the financial year 2020. The increase is primarily on account of increase in current portion of long-term borrowings from Rs. 1081.92 lakhs in FY 2020 to Rs. 55.08 in the FY 2021. For the Financial year 2020 it increased by 46.76% to Rs. 3,461.06 Lakhs from Rs. 2,358.33 Lakhs in the FY 2019, increase was primarily on account of increase in current borrowings from Rs. 2253.35 lakhs in FY 2019 to Rs. 3328.26 in the FY 2020.

Financial Indebtedness

Our Company avails credit facilities in the ordinary course of our business. Pursuant to our Articles of Association, subject to applicable laws, our Board is authorised to borrow sums of money for the purpose of our Company, with or without security, upon such terms and conditions as the Board may think fit which, together with the monies borrowed by the Company (apart from the temporary loans obtained or to be obtained by the Company's banker in the ordinary course of business) shall not exceed upto Rs.100 Crores exceeding the aggregate of paid-up share capital and free reserves of our Company.

As on October 31, 2021, we have outstanding borrowings of Rs. 3737.90 lakhs. Set forth below is a brief summary of our aggregate sanctioned limits and outstanding borrowings as on October 31, 2021.

(Rs. in Lakhs)

Category of borrowings	Sanctioned amount as at October 31, 2021*	Outstanding amount as at October 31, 2021*
Secured Loans		
Fund based facilities		
Term loans - IndusInd Bank - ICICI Bank	 949.62 1239.97	 690.22 540.95
Vehicle Loan	140.24	103.95
Working Capital Limits		
- *Cash Credit* - IndusInd Bank - ICICI Bank	 975.00 1200.00	 649.45 11895.74
- *EPC* (IndusInd Bank)	250.00	239.75
- *Bank Overdraft* (IndusInd Bank)	549.20	328.16
Non Fund based facilities	*Nil*	*Nil*
Unsecured Loans		*Nil*
Total	**5304.04**	**3737.90**

Related Party Transactions

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration, loans & advances given and taken and Issue of Equity Shares.

Sr. No.	Type of Related Party Transactions	2018-19 (Rs. in Lakhs)	% of Revenue from Operations	2019-20 (Rs. in Lakhs)	% of Revenue from Operations	2020-21 (Rs. in Lakhs)	% of Revenue from Operations	For the year ended September 30, 2020 (Rs. in Lakhs)	% of Revenue from Operations	For the year ended September 30, 2021 (Rs. in Lakhs	% of Revenue from Operations
1	Business Transactions (Sales, purchase and job work of goods and rental services)	105.42	1.21	1,007.87	11.93	1,084.61	9.18	748.23	10.61	552.65	12.30
2	Financial transactions (loan taken and repaid and interest paid	2,452.72	28.06	4,947.72	58.54	2,705.70	22.90	1,826.96	25.91	975.19	21.71
3	Remuneration & Bonus Paid and Share of Profits paid	217.18	2.48	54.00	0.64	68.13	0.58	69.55	0.99	14.00	0.31
	Total	**2,775.32**	**31.75**	**6,009.59**	**71.11**	**3,858.43**	**32.65**	**2,644.74**	**37.51**	**1,541.84**	**34.32**

For further details of such related parties under AS-18 (IND AS 24), refer "Annexure- XXV – Details of Related Party Transaction as restated" under the chapter "Restated Financial Statements" beginning on page 208 of this Red Herring Prospectus.

Contingent Liabilities

As on September 30, 2021, our Company have contingent liabilities amounting to Rs. 200.31 lakhs.

Age analysis of Trade creditors for the six month period ended September 30, 2021 and September 30, 2020 and for the Financial year ended March 31, 2019, 2020 and 2021:

Creditors' ageing

Ageing Summary	FY 2018-19 (Rs. in Lakhs)	FY 2019-20 (Rs. in Lakhs)	FY 2020-21 (Rs. in Lakhs)	For the Six Month Period Sept 2020	For the Six Month Period Sept 2021
0 to 30	713.50	487.80	1139.10	162.90	197.52
31 to 60	316.00	422.80	726.60	97.70	21.22
61 to 90	244.60	221.70	431.50	17.77	1.86

Ageing Summary	FY 2018-19 (Rs. in Lakhs)	FY 2019-20 (Rs. in Lakhs)	FY 2020-21 (Rs. in Lakhs)	For the Six Month Period Sept 2020	For the Six Month Period Sept 2021
91 to 120	9.60	269.10	41.70	7.44	0.68
121 to 180	1.40	99.40	4.20	0.45	0.00
Above 181 Days	16.50	94.70	159.70	129.63	68.34
Not Due / Advances	155.70	-68.70	86.20	1,015.24	2,325.54
Grand Total	**1457.40**	**1526.80**	**2589.00**	**1,431.14**	**2,615.16**

MSME Creditors' ageing

Ageing Days	Outstanding For the year six month period ended September 30, 2021 (Rs. In Lakhs)
0 to 30	74.40
31 to 60	3.55
61 to 90	1.04
91 to 120	0.75
121 to 180	0.02
Above 181 Days	43.38
Not Due	1215.10
Grand Total	**1,338.24**

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Financial Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

Effect of Inflation

We are affected by inflation as it has an impact on the investing and leading to demotivated clients and lessor projects etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

Credit Risk

We are exposed to credit risk on monies owed to us by our clients for services rendered. If our clients do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

Reservations, Qualifications and Adverse Remarks

Except as disclosed in chapter titled "Financial Information" beginning on page 202 of this Red Herring Prospectus, there have been no reservations, qualifications and adverse remarks.

Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution

For the FY 2019-20 and FY 2020-21 there has been default in deducting tax at source by Rs. 3.71 Lakhs and Rs. 0.06 Lakhs respectively.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company since incorporation.

Unusual or Infrequent Events or Transactions

During the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in chapter titled "Risk Factors" beginning on page *28* of this Red Herring Prospectus.

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 section titled "Risk Factors" beginning on page *28* of this Red Herring Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known other than as described in chapter titled "Risk Factors" beginning on page *28* of this Red Herring Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

Total turnover of each major industry segment in which we operate

Total turnover of the Company relates to single business segment i.e. manufacturing and selling of various adhesive and sealants alongwith other ancillary products.

Competitive Conditions

We operate in a competitive environment. See "Our Business", "Industry Overview" and "Risk Factors" beginning on pages 150, *132* and *28*, respectively, for further details on competitive conditions that we face across our various business segments.

Increase in income

Our entire product portfolio has performed well in FY21 including the recently introduced product categories of Silicone Sealants, Rubber adhesives and PVA adhesives. Various factors contributed to this growth – key factors being expansion of our distribution network supported by increased sales force and business promotion expenses like channel partner meets, etc. done in previous year which showed results in FY21.

Status of any Publicly Announced New Products or Business Segments

Except as disclosed in the Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments which may have a material impact on our business prospects, results of operations or financial condition.

Seasonality of Business

Considering the trend of business of the Company for past several years, sale of products will be higher in the second half of the financial year in comparison to first half year caused due to various factors such as rainy season and delay in the approval of budgets of the customers in the first half.

Significant dependence on a single or few suppliers or customers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers as well as suppliers.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business, primarily for the purposes of meeting our working capital requirements.

Set forth below is a brief summary of our aggregate borrowings on a consolidated basis as on October 31, 2021:

(Rs. in Lakhs)

Category of borrowings	Sanctioned amount as at October 31, 2021*	Outstanding amount as at October 31, 2021*
Secured Loans		
Fund based facilities		
Term loans - IndusInd Bank - ICICI Bank	 949.62 1239.97	 690.22 540.64
Vehicle Loan	140.24	103.95
Working Capital Limits		
- *Cash Credit* - IndusInd Bank - ICICI Bank	 975.00 1200.00	 649.45 1185.74
- *EPC* (IndusInd Bank)	250.00	239.75
- *Bank Overdraft* (IndusInd Bank)	549.20	328.16
Non Fund based facilities	*Nil*	*Nil*
Unsecured Loans		*Nil*
Total	**5304.04**	**3737.90**

** As certified by the management pursuant to their certificate dated November 22, 2021*

There have been no defaults in repayment of borrowings with any financial institutions/ banks as on the date of the Red Herring Prospectus. We have taken necessary approvals from the concerned lenders for the proposed Offer.

For further information, see *"Risk Factor - Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and– results of operations"* and *"Risk Factor - We have incurred borrowings from commercial banks and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition"* on pages 43 and 34, respectively.

Principal terms of the borrowings availed by us:

A summary of the principal terms of our borrowings are as set out below. The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us:

1. ***Tenor:*** The working capital facilities are either repayable on demand or have a tenor of upto 60 months.

2. ***Interest:*** The interest rate applicable to our borrowing facilities is typically tied to the respective lender's lending rate prevailing at the time, as applicable and which may vary for each facility.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

a. create a pari passu charge by way of hypothecation on the current assets and fixed assets of the Company;
b. charge / mortgage on the personal properties of our Promoters and Promoter Group Members namely, Mrs. Anjana Haresh Motwani, Mr. Karan Haresh Motwani and Nidhi Haresh Motwani;
c. personal guarantee by our Promoters and Promoter Group Members namely, Mrs. Anjana Haresh Motwani, Mr. Karan Haresh Motwani and Nidhi Haresh Motwani.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Prepayment:*** We have the option to prepay the lenders, subject to a prior notice being given to the lender.

5. ***Events of default:*** The terms of our borrowings contain certain standard events of default, including:

a. failure and inability to pay amounts on the due date;

b. failure in performance of any covenant, condition or agreement;

c. cessation of operations/ prolonged strikes/ lock outs;

d. breach of financial covenants.

6. ***Consequences of event of default:*** Upon the occurrence of an event of default, certain lenders are entitled to, among other things:

a. accelerate payments/ initiate recall of the loans;

b. suspend further access/ drawls, either in whole or in part, of the facility;

c. charge excess interest depending upon the extent of default;

d. exercise such other right, power or remedy permitted by law.

7. ***Restrictive Covenants:*** The borrowing arrangements entered into by us require the relevant lender's prior written consent and/or we are required to intimate the relevant lender, as applicable, for carrying out certain actions, including:

a. for availing fresh credit facility from any other bank or financial institution;

b. for giving fresh loans and advances to associate concerns, directors, shareholders and other non-trade purposes;

c. for opening/ maintaining new bank accounts;

d. for issuing corporate guarantee on behalf of its subsidiary/ group concerns;

e. property mortgaged to the Bank not be used by persons other than promoters/ relatives, during the currency of working capital facilities

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

A. (i) Criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below) involving our Company, its Subsidiary, Directors or Promoters; (v) outstanding dues to MSMEs and creditors; (vi) Material Dues (as defined below) to creditors;

In relation to (iv) above, our Board, at its meeting held on July 07, 2021 has determined Material Litigation as:

a. *the aggregate amount involved in such individual litigation exceeds 5% of the consolidated profit after tax of the Company, as per the last audited annual financial statements; or 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 5% of profit after tax of the Company as per the last consolidated audited annual financial statements, if similar litigations put together collectively exceed 5% of the consolidated profit after tax of the Company;*

b. *any such litigation wherein the monetary liability is not quantifiable but which is expected to be material from the perspective of the Company's business, operations, prospects or reputation.*

Except as stated in this section, there are no outstanding litigation involving our Group Companies, the outcome of which would have a material impact on our Company.

In relation to (vi) above, our Board, at its meeting held on July 07, 2021 has determined 'Material Dues' as:

a. *Consolidated information on outstanding dues to Micro Small & Medium Enterprises (MSME), separately giving details of number of cases and amount involved if the same exceeds the threshold limit of Rs. 1 lakh and the credit period of up to 45 days;*
b. *Complete details about outstanding dues to other creditors (excluding banks and financial institutions from whom the Company has availed of financing facilities) if the amount due to any one of them exceeds 5% of the total outstanding trade payables of the Company as per the last audited financial statements.*

It is clarified that for the purposes of the above, pre-litigation notices received and issued by our Company, Directors and Promoters shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of its Directors or Promoters, as the case may be, is impleaded as a defendant in litigation before any judicial forum.

Except as disclosed herein, our Company, its Directors and Promoters are not Willful Defaulters and there have been no violations of securities laws in the past or pending against them.

A. LITIGATION INVOLVING OUR COMPANY

1. Litigation against our Company

1.1. Civil

NIL

1.2. Criminal

NIL

1.3. Taxation

1.3.1. *Direct Tax Proceedings*

S. No.	Particulars	Assessment Year
1.	Pursuant to the assessment order dated June 28, 2017 passed under section 271(1)(c) of the Income Tax Act, 1961 against M/s. HP International, a notice of demand dated June 28, 2017 under section 156 the Income Tax Act, 1961 has been issued against M/s. HP International for a sum of Rs. 2.70 Lakhs. M/s. HP International has preferred an appeal (no. CIT (A) 36, Mumbai/10104/2017-18) before CIT(A) challenging the aforesaid assessment order, which proceedings are pending as on the date of this Red Herring Prospectus.	2014-15

1.3.2. *Indirect Tax Proceedings*

i. VAT Proceedings

S. No.	Particulars	Financial Year
1.	Pursuant to an assessment order (no. ASO/MUM-VAT-E-637/17 18/10020034) dated July 19, 2017 passed by the Deputy Commissioner of Sales Tax, Mumbai, Maharashtra under section 23 of the MVAT Act, 2002 against M/s. HP International, a demand notice dated March 26, 2018 has been issued against M/s. HP International for a sum of Rs. 73.60 Lakhs. An appeal (no. JC/APP-IV/MUM/VAT-37/2018-19) has been preferred by M/s. HP International before Joint Commissioner of Sales Tax (Appeal), Mumbai, Maharashtra challenging the said assessment order. Pending final disposal of the said Appeal, our stay application filed before the Joint Commissioner of Sales Tax (Appeal) has been allowed pursuant to part payment of Rs. 4.44 Lakhs having been made by us.	2014-15

S. No.	Particulars	Financial Year
2.	Pursuant to an assessment order (no. ASO/MUM-VAT-E-637/18-19/27520252638V) dated January 02, 2018 passed by the Deputy Commissioner of Sales Tax, Mumbai, Maharashtra under section 23 of the MVAT Act, 2002 against M/s. HP International, a demand notice dated May 31, 2018 has been issued against M/s. HP International for a sum of Rs. 23.22 Lakhs. An appeal (no. JC/APP-IV/MUM/VAT-311/2018-19) has been preferred by M/s. HP International before Joint Commissioner of Sales Tax (Appeal), Mumbai, Maharashtra challenging the said assessment order. Pending final disposal of the said Appeal, our stay application filed before the Joint Commissioner of Sales Tax (Appeal) has been allowed pursuant to part payment of Rs. 1.46 Lakhs having been made by us.	2015-16
3.	Pursuant to assessment order no. MUM-VAT-E-637/27520252638V/MVAT/231/2020-21/3553845 dated March 4, 2021, a demand of Rs. 2,66,168/- was raised against our Company which amount has been paid by our Company on March 9, 2021 and the matter thus, stands closed.	2016-17

ii. CST Proceedings

S. No.	Particulars	Financial Year
1.	Pursuant to an assessment order (no. ASO/MUM-VAT-E-637/17 18/10020172) dated July 19, 2017 passed by the Deputy Commissioner of Sales Tax, Mumbai, Maharashtra under section 23 of the CST Act, 1956 against M/s. HP International, a demand notice dated May 02, 2018 has been issued against M/s. HP International for a sum of Rs. 35.63 Lakhs. An appeal (no. JC/APP-IV/MUM/CST-38/2018-19) has been preferred by M/s. HP International before Joint Commissioner of Sales Tax (Appeal), Mumbai, Maharashtra challenging the said assessment order. Pending final disposal of the said Appeal, our stay application filed before the Joint Commissioner of Sales Tax (Appeal) has been allowed pursuant to part payment of Rs. 2.19 Lakhs having been made by us.	2014-15
2.	Pursuant to an assessment order (no. ASO/MUM-VAT-E-637/18-19/27520252638C) dated January 02, 2018 passed by the Deputy Commissioner of Sales Tax, Mumbai, Maharashtra under section 23 of the CST Act, 1956 against M/s. HP International, a demand notice dated May 31, 2018 has been issued against M/s. HP International for a sum of Rs. 11.84 Lakhs. An appeal (no. JC/APP-IV/MUM/CST-312/2018-19) has been preferred by M/s. HP International before Joint Commissioner of Sales	2015-16

S. No.	Particulars	Financial Year
	Tax (Appeal), Mumbai, Maharashtra challenging the said assessment order. Pending final disposal of the said Appeal, our stay application filed before the Joint Commissioner of Sales Tax (Appeal) has been allowed pursuant to part payment of Rs. 7.79 Lakhs having been made by us.	
3.	Pursuant to assessment order no. MUM-VAT-E-637/27520252638C/CST/CST/2020-21/3553960 dated March 4, 2021, a demand of Rs. 2,79,195/- was raised against our Company which amount has been paid on March 9, 2021 and the matter thus, stands closed.	2016-17
4.	Pursuant to assessment order dated March 30, 2017 passed by Deputy Commissioner of Sales Tax, Mumbai u/s. 23(2) of the Central Sales Tax Act, 1956, a sum of Rs. 49.67 Lakhs was determined as payable by M/s. HP International for AY 2012-13 towards Central Sales Tax and a sum of Rs. 18.43 Lakhs had been levied towards interest under section 9(2) of the Central Sales Tax Act, 1956. Further, pursuant to assessment order dated February 12, 2018 passed by Deputy Commissioner of Sales Tax, Mumbai u/s. 23(2) of the Central Sales Tax Act, 1956, a sum of Rs. 66.74 Lakhs was determined as payable by M/s. HP International for AY 2013-14 towards Central Sales Tax and a sum of Rs. 19.66 Lakhs had been levied towards interest under section 9(2) of the Central Sales Tax Act, 1956. In order to settle the aggregate disputed sales tax liability of Rs. 116.40 Lakhs for Assessment Years 2012-13 and 2013-14, our Company has paid a sum of Rs. 55.54 Lakhs under the Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Ordinance, 2019 (Amnesty Scheme, 2019). The matter thus, stands closed.	2012-13

iii. Excise Proceedings

1. By an order in original (no. Raigad/Div-V/AC/23(19)(RK)/2019-20) dated March 11, 2020, the Assistant Commissioner of CGST &CX, Division V, Raigad Commissionerate had confirmed the demand of Rs.2,05,514/- against our Company under Section 11A(10) of the Central Excise Act, 1944, ordered recovering interest at the appropriate rate under rule 14 of the Cenvat Credit Rules. 2004 read with section 11AA of the Central Excise Act, 1944 and imposed penalty of Rs. 2,05,514/- under rule 15(2) of the Cenvat Credit Rules. 2004 read with section 11AC(1)(c) of the Central Excise Act, 1944.

   Our Company had filed an appeal before the Office of Commissioner of Central Tax (Appeals), Raigad against the aforesaid order in original. By an order in appeal dated June 17, 2021, the said Commissioner of Central Tax (Appeals), Raigad has rejected our appeal and upheld the aforesaid order in original.

   Our Company has on August 12, 2021 filed an appeal (Excise 86416/2021) before the Hon'ble CESTAT challenging aforesaid order in appeal dated June 17, 2021. The matter is pending before the Hon'ble CESTAT.

2. By an order in original (No. 64-65/NVK/COMMR/RGD/2018-19) dated June 7, 2018 passed by the Commissioner CGST Central Excise, Raigad Commissionerate against *inter alia* M/s. HP International, Mrs. Anjana Motwani and Karan Haresh Motwani as partners of M/s. HP International, Mrs. Anjana Motwani as mandatee of M/s HP Marketing, Karan Motwani as proprietor of M/s HP Trading and others, the said Commissioner CGST Central Excise has *inter alia*:

   i. confirmed the demand of Rs. 14,05,82,276/- under Section 11A(10) of the Central Excise Act, 1944;
   ii. appropriated an amount of Rs. 16,46,821/- against the said demand confirmed above;
   iii. ordered recovery of appropriate interest u/s. 11AA of the Central Excise Act, 1944;
   iv. imposed penalty of Rs. 14,05,82,276/- on M/s. HP International u/s. 11AC of the Central Excise Act, 1944
   v. imposed a penalty of Rs. 1,00,00,000/- each on Mrs. Anjana Motwani and Mr. Karan Motwani as partners of M/s. HP International under Rule 26 of Central Excise Rules, 2002;
   vi. imposed a penalty of Rs. 20,00,000/- each on Mrs. Anjana Motwani, mandatee of M/s. HP Marketing and Mr. Karan Motwani, proprietor of M/s. HP Trading;
   vii. ordered the confiscation of goods seized from, amongst others, the following premises in terms of Rule 25 of the Central Excise Rules, 2002 and given an option to pay fine in lieu of confiscation as below:

Sr. No.	Name & addresses of the premises, where goods have been seized under panchanama	Value of seized goods (Rs.)	Redemption fine (Rs.)
1.	M/s. HP International, Khalapur, Raigad	2,30,70,045/-	27,68,000/-
2.	M/s. HP Trading, New Delhi	2,04,98,881/-	24,60,000/-

M/s. HP International and others had filed their respective appeals before the Hon'ble CESTAT under Section 35B of the Central Excise Act, 1944. In order to settle the disputed tax liability, our Company has, pending disposal of the said appeals, made a payment of Rs. 688.17 Lakhs under Sabka Vikas (Legacy Dispute Resolution) Scheme Rules, 2019 pursuant to which Discharge Certificate (Form SVLDRS-IV) has been issued in favour of M/s. HP International, M/s HP Trading, Mr. Karan Haresh Motwani, Mrs. Anjana Motwani and M/s. HP Marketing.

Subsequently, our Company has received a notice dated July 29, 2021 issued by the Deputy Commissioner, CGST & CX, Div-V, Raigad. Vide the said notice, the said Commissioner has demanded that the sum of redemption fine (Rs.27,68,000/-) be paid by our Company within seven days of the receipt of the said notice, failing which recovery under section 11 of the Central Excise Act read with section 79 of the CGST Act, 2017 will be initiated. Our Company has on November 17, 2021 filed a writ petition (Lodging No. WPL/26710/2021) against Union of India and Ors. before the Hon'ble High Court of Judicature at Bombay to *inter alia* set aside and quash the recovery letter dated July 29, 2021.

3. Our Company had filed an application for seeking refund of Rs. 21,85,047/- in terms of the CESTAT ("Customs Excise and Service Tax Appellate Tribunal") order dated April 04, 2018 passed in Appeal (No. A/88472/2018).

   By an order in original dated November 11, 2019, the Assistant Commissioner. CGST & CX, Division-V has allowed the refund of the said amount to our Company in terms of Section 11B of the Central Excise Act, 1944 and the matter thus, stands closed.

2. Litigation by our Company

2.1. Civil

Our Company has filed an Admiralty Suit no. COMAS/23/2018 on February 23, 2018 before the Hon'ble High Court of Bombay against one Maersk Line India Private Limited, Safmarine Division (the defendant) for seeking relief inter alia in the nature of return of the goods handed over to the defendant for export, or in the alternative, the defendant be directed to pay a sum of Rs. 1095.00 Lakhs to our Company being the value of the goods involved as at the time of handing over. The said suit is pending before the Hon'ble High Court.

2.2. Criminal

2.2.1. Our Company has lodged a criminal complaint dated 18th March 2016 before the Senior Police Inspector, Khalapur Police Station, Raigad, Maharashtra against the Sarpanch of Narangi Village, Uddhav Deshmukh and his son Sandesh Deshmukh for having committed *inter alia* offense of criminal intimidation, unauthorized entry in the Company's factory premises, coercing the Company's employees to change water suppliers in addition to bad mouthing the reputation of the Company. Pursuant to the aforesaid criminal complaint, a Non-Cognizable Offence Information Report dated March 18, 2016 has been entered/ recorded against the accused for allegedly committed offence of criminal intimidation by an anonymous communication under section 507 of the Indian Penal Code, 1860. There has been no further development in the matter.

Our Company has lodged a criminal complaint dated September 17, 2014 before the Senior Police Inspector, Khalapur Police Station, Raigad, Maharashtra against M/s. Karnataka Tubes and Fittings, a partnership firm having its office at 4th Cross, Lalbagh Road, No. 49/3, Bengaluru – 560 027, for having committed offenses of cheating, duplication of the Company's products without consent and delay/default in payment of our dues thereby committing offence under section 420 of the Indian Penal Code, 1860. There has been no further development in the matter

B. LITIGATION INVOLVING THE DIRECTORS (*Other than Promoters*)

1. Litigation against our Directors

1.1. Civil

NIL

1.2. Criminal

NIL

1.3. Taxation

1.3.1. *Direct Tax Proceedings*

i. Mr. Ajeet Anant Walavalkar

Sr. No.	Particulars	Assessment Year	Amount (in Rs.)
1.	A demand notice dated June 13, 2014 has been issued under section 156 of the Income Tax Act, 1961 against our Director, Mr. Ajeet Anant Walavalkar.	2013-14	130/-

ii. Mr. Surendra Kumar Mehta

Sr. No.	Particulars	Assessment Year	Amount (Rs. In Lakhs)
1.	A demand notice dated October 18, 2021 has been issued under section 143(1)(a) of the Income Tax Act, 1961 against our Director, Mr. Surendra Kumar Mehta.	2020-21	0.60

1.3.2. *Indirect Tax Proceedings*

NIL

2. Litigation by our Directors

2.1. Civil

NIL

2.2. Criminal

NIL

C. LITIGATION INVOLVING OUR PROMOTERS

1. Litigation against Promoters

1.1. Civil

NIL

1.2. Criminal

NIL

1.3. Taxation

1.3.1. *Direct Tax Proceedings*

i. *Mr. Karan Haresh Motwani*

Sr. No.	Particulars	Assessment Year	Amount (Rs. in Lakhs)
1.	A demand notice dated December 21, 2017 has been issued under section 156 of the Income Tax Act, 1961 against our Promoter, Mr. Karan Haresh Motwani.	2012-13	1.25

2. Litigation by Promoters

2.1. Civil

NIL

2.2. Criminal

Our Promoter, Mrs. Anjana Motwani had lodged a First Information Report dated October 13, 2016 before the Khalapur Police Station, Raigad Maharashtra against Uddhav Namdev Deshmukh and 11 others, for having allegedly committed offences of assembling unlawfully and creating a riot in our Company's factory premises, criminal intimidation and threatening the employees of the Company with the intention to create fear and injury thereby committing offenses under sections 143, 147, 149, 385, 323, 506, 451 of the Indian Penal Code, 1860 and sections 37(1) and 135 of the Bombay Police Act, 1959. Pursuant to the aforesaid FIR dated October 13, 2016, a Criminal Case (Regular) No.89 of 2017 came to be filed against the accused before the 5th Civil Judge, Judicial Magistrate First Class, Khalapur, Raigad Maharashtra. The said matter is pending before the said Magistrate for hearing and disposal.

SITE INSPECTION REPORTS FROM STATUTORY AND REGULATORY AUTHORITIES

In addition to the above, we also receive site inspection/ visit reports from the concerned authorities under the Factories Act, 1948 and from Maharashtra Pollution Control Board during the course of our ordinary business. Pursuant to such reports, the concerned authorities provide their observations on compliance by our Company with the provisions of applicable legislation. There has been no development subsequently.

NON-PAYMENT OF STATUTORY DUES

Other than as stated below, our Company has no outstanding defaults in relation to statutory dues consisting of service tax, value added tax, professional tax, employee state insurance, provident fund and tax deducted, dues payable to holders of any debentures (including interest) or dues in respect of deposits (including interest) or any defaults in repayment of loans from any bank or financial institution (including interest):

a. Tax Deducted at Source

Sr. No.	Particulars	Amount (Rs. in Lakhs)
1.	Default in FY 2019-20	1.85
2.	Default in FY 2020-21	0.23
3.	Default in FY 2021-22	0.03
	Total	**2.11**

DISCIPLINARY ACTION AGAINST OUR PROMOTERS IN THE LAST FIVE FINANCIAL YEARS

There are no disciplinary actions pending or taken by SEBI or the stock exchange(s) against the Promoters during the last five years immediately preceding the year of the issue of the Red Herring Prospectus

OUTSTANDING DUES TO CREDITORS

As per the Materiality Policy, our Board has approved the following:

a. Consolidated information on outstanding dues to Micro Small & Medium Enterprises (MSME), separately giving details of number of cases and amount involved if the same exceeds the threshold limit of Rs. 1 lakh and the credit period of up to 45 days;
b. Complete details about outstanding dues to other creditors (excluding banks and financial institutions from whom the Company has availed of financing facilities) if the amount due to any one of them exceeds 5% of the total outstanding trade payables of the Company as per the last audited financial statements.

As of September 30, 2021, our Company, in its ordinary course of business, has an aggregate amount of Rs. 2,615.16 Lakhs, which is due towards sundry and other creditors. Consolidated information on material dues to creditors and outstanding dues to MSMEs and other creditors, giving details of number of creditors and aggregate amount for such dues is as under:

Particulars	Number of Creditors	Amount Outstanding (Rs. in Lakhs)
Material Dues to Creditors	5	1325.40
Outstanding dues to MSMEs	1	516.84
Outstanding dues to creditors	4	808.56

The details pertaining to material dues to creditors as per the Restated Financial Statements for the most recent financial year is available on the website of our Company *www.hpadhesives.com*.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, our Promoters nor our Directors are or have been classified as a willful defaulter by a bank or financial institution or a consortium thereof in accordance with the guidelines on willful defaulters issued by RBI.

MATERIAL DEVELOPMENTS

Except as disclosed in the chapter titled *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on page 275 of this Red Herring Prospectus, in the opinion of our Board, there have not arisen, since September 30, 2021, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company is in receipt of the necessary consents, licenses, registrations, permissions and approvals from the Government of India and various governmental agencies required to undertake this Issue and carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals and licenses are valid as on the date of this Red Herring Prospectus and in case of licenses and approvals which have expired; we have either made application for renewal or are in the process of making an application for renewal. In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations.

The main objects clause of Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

Following statement sets out the of licenses, permissions and approvals obtained by the Company under various central and state legislations for carrying out its business activities.

I. COMPANY RELATED APPROVALS

Sr. No.	Authorization Granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Date of Renewal	Valid up to
1.	Certificate of Incorporation in the name of *"HP Adhesives Private Limited"*	Registrar of Companies, Central Registration Centre	U24304MH2019PTC325019	May 07, 2019	N.A.
2.	Fresh Certificate of Incorporation consequent upon change of name to *HP Adhesives Limited* on conversion to public limited company	Registrar of Companies, Central Registration Centre	U24304MH2019PLC325019	July 01, 2021	N.A.

II. APPROVALS FOR THE OFFER

For details regarding the approvals and authorizations obtained by our Company in relation to the Offer, see *"Other Regulatory and Statutory Disclosures - Authority for the Offer"* on page 313.

III. (i) Tax related approvals

Nature of License / Approval	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Valid up to
Permanent Account Number (PAN)	Income Tax Department, GoI	AAECH9038A	April 12, 2019	N.A.
Tax Deduction Account Number (TAN)	Income Department, GoI	MUMH18966D	May 07, 2019	N.A.
Certificate of Registration for Goods and Service Tax *(Maharashtra)*	Government of India	27AAECH9038A1ZR	May 10, 2019	N.A.
Certificate of Registration for Goods and Service Tax *(Karnataka)*	Government of India	29AAECH9038A1ZN	May 27, 2019	N.A.
Certificate of Registration for Goods and Service Tax *(New Delhi)*	Government of India	07AAECH9038A1ZT	June 01, 2019	N.A.
Certificate of Registration for Goods and Service Tax *(Madhya Pradesh)*	Government of India	23AAECH9038A1ZZ	October 15, 2019	N.A.
Certificate of Registration for Goods and Service Tax *(West Bengal)*	Government of India	19AAECH9038A1ZO	June 07, 2019	N.A.
Certificate of Registration for Goods and Service Tax *(Dadra & Nagar Haveli)*	Government of India	26AAECH9038A1ZT	August 01, 2020	N.A.
Certificate of Registration for Goods and Service Tax *(Rajasthan)*	Government of India	08AAECH9038A1ZR	June 18, 2019	N.A.

Nature of License / Approval	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Valid up to
Importer-Exporter Code (IEC)	Foreign Trade Developme nt Officer, Ministry of Commerce	0388056061	August 29, 2021	N.A.
Certificate of Registration under the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975	Maharashtr a Sales Tax Department	27471687635P	May 16, 2019	N.A.
Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975	Maharashtr a Sales Tax Department	99683282224P	April 01, 2019	N.A.

(ii) Business related approvals

Nature of License / Approval	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Valid up to
Factory Registration and Factory Operation License	Directorate of Industrial Safety and Health (Labour Department), Government of Maharashtra	122002395900376	January 16, 2020	Decembe r 31, 2025
Udyam Registration Certificate as Medium Enterprise	Ministry of Micro, Small and Medium Enterprises, Government of India	UDYAM-MH-18-0013539	September 26, 2020	N.A.

Nature of License / Approval	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Valid up to
Certificate of Registration under the Legal Metrology (Packaged Commodities) Rules, 2011	Deputy Director, Department of Consumer Affairs, Government of India	GOI/MH/2020/453	August 13, 2020	N.A.
License to Import and Store Petroleum in an Installation, upto 100 kilo litres of Class A in bulk	Joint Chief Controller of Explosives West Circle, Mumbai	P/WC/MH/15/2331(P25 2968)	August 29, 2019	Decembe r 31, 2027
Consent to Operate under the Water (Prevention & Control of Pollution) Act 1981, Air (Prevention & Control of Pollution) Act, 1981 and Authorization/ Renewal of Authorization under Rule 5 of Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2008 for manufacturing PVC Cement upto 5 MT/ month and FRP Products upto 1 MT/ month *(existing manufacturing facility)*	Regional Office, Maharashtra Pollution Control Board	MBCB/ROR/15/07840	July 15, 2015	March 31, 2017
Consent to Operate under the Water (Prevention &	Regional Office, Maharashtra Pollution	MBCB/ROR/Amend/17 1117FTS0201	November 17, 2017	March 31, 2027

Nature of License / Approval	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Valid up to
Control of Pollution) Act 1981, Air (Prevention & Control of Pollution) Act, 1981 and Authorization/ Renewal of Authorization under Rule 5 of Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2008 for manufacturing PVC Cement upto 50 MT/ month and FRP Products upto 50 MT/ month *(existing manufacturing facility)*	Control Board			
Consent to Operate under the Water (Prevention & Control of Pollution) Act 1981, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous and Other Wastes (M & TM) Rules, 2016 for manufacturing PVC Cement upto 50 MT/ month and FRP Products upto 50 MT/ month	Regional Office, Maharashtra Pollution Control Board	RO-Raigad/Consent/1705001105/Amend/2103000012	March 08, 2021	March 31, 2027

Nature of License / Approval	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Valid up to
(existing manufacturing facility)				
Consent to Establish under the Water (Prevention & Control of Pollution) Act 1981, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous and Other Wastes (M & TM) Rules, 2016 for manufacturing Adhesives and Sealants upto 450 MT/ month *(existing manufacturing facility)*	Regional Office, Maharashtra Pollution Control Board	Format 1.0/BO/RO Raigad/UAN No. 0000117342/E-2107000880	July 15, 2021	Upto Commissioning of the unit or upto 5 years, whichever is earlier
Consent to Establish for Expansion under the Water (Prevention & Control of Pollution) Act 1981, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous and Other Wastes (M & TM) Rules, 2016 for manufacturing Silicon Sealant upto 150 MT/ month *(Additional Unit)*	Regional Office, Maharashtra Pollution Control Board	Format 1.0/BO/RO Raigad/UAN No. 0000109349/E-2105000651	May 17, 2021	Upto Commissioning of the unit or upto 5 years, whichever is earlier
Provisional Fire NOC	Directorate of	MFS/51/2021/208	June 12, 2021	N.A.

Nature of License / Approval	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Valid up to
	Maharashtra Fire Services, Government of Maharashtra			
Registration Certificate under the Maharashtra Shop and Establishments (Regulations of Employment and conditions of Service) Act, 2017 *(registered office)*	Chief Inspector, Shops & Establishments, Mumbai	820162467/ KE Ward/ COMMERCIAL II	June 15, 2021	N.A.
Registration Certificate under the Maharashtra Shop and Establishments (Regulations of Employment and conditions of Service) Act, 2017 *(administration office)*	Chief Inspector, Shops & Establishments, Mumbai	820176467/ KE Ward/ COMMERCIAL II	August 30, 2021	N.A.
Registration Certificate of Establishment under the Karnataka Shops and Commercial Establishments Act, 1961	Senior Labour Inspector, Department of Labour, Government of Karnataka	27/DH-/CE/0030/2021	July 14, 2021	December 31, 2025
Registration Certificate of Establishment under the Madhya Pradesh Shops and Establishments Act, 1958	Inspector, Office of District Labour, Indore, Madhya Pradesh	C/1159853	October 10, 2019	N.A.
Registration Certificate of Establishment	Department of Labour	2021145330	September 02, 2021	N.A.

Nature of License / Approval	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Valid up to
under the Delhi Shops and Establishments Act, 1954	Government of National Capital Territory of Delhi			
Registration Certificate of Establishment under the West Bengal Shops and Establishments Act, 1963	Registering Authority under the West Bengal Shops and Establishments Act, 1963	KL03912N2021000006	July 26, 2021	N.A.
Exemption Certificate under the Boiler Act, 1923	Deputy Director of Steam Boilers, Government of Maharashtra	SB-6/MRD/2018/14796	July 27, 2018	N.A.

(iii) Labour and Commercial approvals

Nature of License/ Approval	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Valid up to
Employees' State Insurance Registration Certificate *(registered office)*	Regional Office, Employees' State Insurance Corporation	35000530680000 399	January 22, 2021	N.A.
Employees' State Insurance Registration Certificate *(manufacturing unit)*	Regional Office, Employees' State Insurance Corporation	34350530680010 399	February 08, 2021	N.A.
Employee's Provident Fund Registration	Office of the Regional Provident fund commissioner, Maharashtra	KDMAL1527679	October 10, 2016	N.A.

(iv) ***Intellectual Property***

As on the date of this Red Herring Prospectus, we have 22 registered trademarks in the name of our Company and M/s. HP International as mentioned below:

Sr. No.	Trademark Name	Category	Class of Trademark	Application No:	Valid Upto
1.	Strong Weld*	Device	17	1877281	October 28, 2029
2.	HP*	Device	17	1877282	October 28, 2029
3.	O*	Device	17	1907872	January 12, 2030
4.	HP International*	Device	1	2781997	July 28, 2024
5.	U- WELD*	Device	1	2781998	July 28, 2024
6.	Utility*	Device	1	2781999	July 28, 2024
7.	C- WELD*	Device	1	2782000	July 28, 2024
8.	P- WELD*	Device	1	2782002	July 28, 2024
9.	Titesol*	Device	1	2782003	July 28, 2024
10.	C- WELD*	Device	19	2782007	July 28, 2024
11.	U- WELD*	Device	19	2782008	July 28, 2024
12.	Aqua Plus*	Device	17	2782010	July 28, 2024
13.	HP*	Device	1	2835967	November 03, 2024
14.	LOW VOC*	Device	1	2887524	January 22, 2025
15.	STRONG DRAIN*	Device	17	3009358	July 16, 2025
16.	STRONG DRAIN*	Device	19	3009359	July 16, 2025
17.	STRONG GRIP*	Device	1	3026658	August 07, 2025
18.	NEOBOND*	Device	17	3601564	July 28, 2027
19.	NEOBOND*	Device	1	3601563	July 28, 2027
20.	STRONG FIX*	Device	1	4051550	January 09, 2029
21.	STRONG COL#	Word Mark	1	4934650	April 06, 2031
22.	STRONG WELD#	Device	35	5000761	June 10, 2031

** registered in the name of M/s. HP International*
 # registered in the name of our Company

We are in the process of transferring some of the aforesaid trademarks from 'M/s. HP International' to 'HP Adhesives Limited'.

Additionally, as on date of this Red Herring Prospectus we have 22 applications pending under the Trademarks Act, 1999 to register the following trademarks in the name of our Company:

Sr. No.	Trademark Name	Category	Class of Trademark	Application/ CC No.	Date of Application	Status
1.	STRONG BOND	Word Mark	1	4240305	July 19, 2019	Refused
2.	STRONG BOND	Word Mark	17	4240306	July 19, 2019	Refused
3.	STRONG WELD	Word Mark	1	4240307	July 19, 2019	Objected
4.	STRONG WELD	Word Mark	17	4240308	July 19, 2019	Objected
5.	FIBERX	Word Mark	17	4240309	July 19, 2019	Objected
6.	FIBERX	Word Mark	19	4240310	July 19, 2019	Refused
7.	HP	Word Mark	1	4251510	July 31, 2019	Accepted & Advertised
8.	HP	Word Mark	17	4251511	July 31, 2019	Objected
9.	FIBRE ONE	Word Mark	1	4779127	December 11, 2020	Opposed
10.	FIBRE ONE	Word Mark	17	4779126	December 11, 2020	Accepted & Advertised
11.	FIBRE ONE	Device	35	4890263	March 04, 2021	Objected
12.	STRONG COL	Word Mark	17	4934651	April 06, 2021	Objected
13.	STRONG WELD	Device	19	5000760	June 10, 2021	Objected
14.	HP	Device	19	5000758	June 10, 2021	Accepted & Advertised
15.	HP	Device	35	5000759	June 10, 2021	Opposed
16.	STRONG FIX	Word Mark	1	5039655	July 10, 2021	Objected
17.	STRONG FIX	Word Mark	17	5039656	July 10, 2021	Objected
18.	STRONG SEAL	Word Mark	1	5039653	July 10, 2021	Objected
19.	STRONG SEAL	Word Mark	17	5039654	July 10, 2021	Objected
20.	STRONGTITE	Device	1	5215978	November 19, 2021	Formalities Check Pass
21.	STRONGTITE	Device	2	5215979	November 19, 2021	Formalities Check Pass
22.	STRONGTITE	Device	17	5215980	November 19, 2021	Formalities Check Pass

IV. Approvals applied for but not received

As on the date of this Red Herring Prospectus, there are no approvals that have been applied for by our Company but not received save and except the following:

1. Consent to Operate under the Water (Prevention & Control of Pollution) Act 1981, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 *(for Existing Facility and Additional Unit)*.
2. Permission for use of land for Non-Agricultural (N.A.) purpose from the office of Collector, Raigad, Maharashtra in respect of the Additional Unit.

V. Approvals expired and renewals to be applied for

As on the date of this Red Herring Prospectus, there are no approvals that have expired but have not been renewed by our Company.

VI. Approvals required but not obtained or applied for

As on the date of this Red Herring Prospectus, there are no approvals which our Company was required to obtain or apply for, but which have not been obtained or been applied for save and except the following:

(a) Final No Objection Certificate from fire safety authorities in respect of factory premises.
(b) License for expansion under the Factories Act, 1948 in respect of our Additional Unit.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Fresh Issue pursuant to the resolution passed at its meeting held on July 05, 2021. Further, our Shareholders have approved the Fresh Issue pursuant to a special resolution passed on July 06, 2021 under Section 62(1)(c) of the Companies Act, 2013. Further, our Board has taken on record the consent of the Selling Shareholder to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on July 05, 2021.

The Offer for Sale has been authorised by the Selling Shareholder as follows:

Sr. No.	Name of the Selling Shareholder	Maximum number of Offered Shares	Date of Selling Shareholder's Consent Letter	Date of corporate authorisation/ board resolution
1.	Mrs. Anjana Haresh Motwani	4,57,200	July 05, 2021	July 05, 2021

Our Company has obtained in-principle approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated August 09, 2021 and September 03, 2021, respectively.

Prohibition by SEBI or any other regulatory authorities

We confirm that our Company, our Promoters, Promoter Group, our directors and the Selling Shareholder have not been prohibited from accessing the capital market for any reason or debarred from buying, selling or dealing in securities, under any order or directions by the SEBI or any other securities market regulator in any other jurisdiction or any other authority/ court as on the date of this Red Herring Prospectus.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our Company, our Promoters or directors are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by SEBI or any other regulatory authority.

None of our directors are associated with the securities market and there has been no action taken by the SEBI against the directors or any other entity with which our directors are associated as promoters or director.

Neither our Company nor the Directors and our Promoters/ Promoter Group have been declared as "Fraudulent Borrowers" by the lending banks or financial institutions or consortium, in terms of RBI master circular dated July 01, 2016.

Further, none of our Promoters or directors have been declared as fugitive economic offender under Fugitive Economic Offenders Act, 2018.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of the Promoter group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent in force and applicable, as on the date of this Red Herring Prospectus.

The Selling Shareholder, severally and not jointly, has confirmed that she is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to it, as on the date of this Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy-five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*"

The Selling Shareholder has confirmed that she has held its respective portion of Offered Shares for a period of at least one year prior to the date of this Red Herring Prospectus and that it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

Our Company is an "unlisted issuer" in terms of the SEBI ICDR Regulations; and this Offer is an "Initial Public Offer" in terms of the SEBI ICDR Regulations 2018.

We are eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(2) of the SEBI ICDR Regulations. Accordingly, in accordance with Regulation 32(2) of the SEBI ICDR Regulations we are required to allocate not less than 75% of the Net Offer to QIBs. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall not be less than 1,000.

Further, our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and has ensured compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Also, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Directors or the Selling Shareholder are debarred from accessing the capital markets by the SEBI.

(b) None of our Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.

(c) None of our Company, the Selling Shareholder and our Directors have been categorized as a wilful defaulter.

(d) None of our Directors have been declared a fugitive economic offender.

Our Company has facilitated trading in demat securities and has entered into agreement with both the depositories. The Company has entered into an agreement for registration with the Central Depositary

Services Limited (CDSL) dated August 02, 2021 and National Securities Depository Limited (NSDL) dated July 30, 2021 for establishing connectivity.

DISCLAIMER CLAUSE OF SEBI

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, UNISTONE CAPITAL PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, UNISTONE CAPITAL PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, UNISTONE CAPITAL PRIVATE LIMITED HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED JULY 18, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR 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 PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLM ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS."

Disclaimer from our Company our Directors, the Selling Shareholder and the Book Running Lead Manager

Our Company, our Directors, the Selling Shareholder and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in the Red Herring Prospectus or in any 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.hpadhesives.com, or the respective websites of the members of the Promoter Group and affiliates, would be doing so at his or her own risk.

Each of the Selling Shareholder, their affiliates and associates accept or undertake no responsibility for any statements other than those specifically undertaken or confirmed by such Selling Shareholder in relation to itself and its respective portions of the Offered Shares.

The BRLM accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement, to be executed between the Underwriters and our Company.

All information shall be made available by our Company, the Selling Shareholder (to the extent that the information pertain to her and her respective portions of the Offered Shares) 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, the Selling Shareholder or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software or hardware system or otherwise; and (ii) 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.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the 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, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, 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 its respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholder, the Promoters and their respective directors and officers, group companies, 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, the Promoters and their respective directors and officers, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer of CRISIL Limited

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing CRISIL Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. CRISIL Report is not a recommendation to invest / disinvest in any company covered in the Report. CRISIL especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. CRISIL Research operates independently of and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval.

Disclaimer in Respect of Jurisdiction

Any dispute arising out of this Offer will be subject to jurisdiction of the competent court(s) in Mumbai only.

Bidders eligible under Indian law to participate in the Offer

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic 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 equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs (under Schedule I of the FEMA Rules) 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, however constitute an invitation to subscribe to shares offered hereby in any jurisdiction, other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer is being made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient was outside India.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

Eligibility and Transfer Restrictions

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares have been offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”.

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

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in

compliance with Section 4(a)(2) or Rule 144A or another available exemption from registration under the U.S. Securities Act.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company is as follows:

BSE Limited ("the Exchange") has given vide its letter dated August 09, 2021 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -
a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company is as follows:

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1102 dated September 03, 2021 permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Listing

The Equity Shares of our Company are proposed to be listed on BSE and NSE. Applications have been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the Bidders in pursuance of the Red Herring Prospectus and each of the Selling Shareholder will be liable to reimburse our Company for such repayment of monies, on its behalf, with respect to its respective portion of the Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholder and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Selling Shareholder with regard to interest on such refunds will be reimbursed by such Selling Shareholder in proportion to its respective portion the Offered Shares or in the manner as may be mutually agreed upon between the Selling Shareholder. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent that such delay has been caused by any act or omission solely attributable to such Selling Shareholder and to the extent of its respective portion the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date. Further, each of the Selling Shareholder confirms that it shall provide reasonable assistance to our Company, and the Book Running Lead Manager(s), with respect to its respective portion of the Offered Shares, for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date, to the extent of the Offered Shares.

If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by 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.

Except for listing fees which shall be solely borne by our Company, all Offer expenses will be shared, upon successful completion of the Offer, between our Company and each of the Selling Shareholder on a pro-rata basis, in proportion to the (i) Equity Shares issued and allotted by our Company in the Fresh Issue and (ii) Equity Shares sold by each of the Selling Shareholder in the Offer for Sale or in the manner as may be mutually agreed upon between the Selling Shareholder. However, in the event that the Offer is withdrawn by our Company or not completed for any reason whatsoever, all the Offer related expenses will be solely borne by our Company. Upon successful completion of the Offer, any payments by our Company in relation to the Offer expenses on behalf of any of the Selling Shareholder shall be reimbursed by such Selling Shareholder, in proportion to its respective portion the Offered Shares or in the manner as may be mutually agreed upon between the Selling Shareholder, to our Company inclusive of taxes.

Consents

Consents in writing of Selling Shareholder, our Promoters, our Directors, our Company Secretary and Compliance Officer, Legal Advisor to the offer, the Book Running Lead Manager, Statutory & Peer Review Auditor, the Registrar to the Offer, Banker to the our Company, independent chartered engineer, Syndicate Members, Share Escrow Agent, Monitoring Agency, Escrow Collection Bank(s), Banker to the Offer(s)/Public Offer Bank(s)/Refund Bank(s) and Sponsor Bank have been obtained

and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for filing with the RoC.

Experts to the Offer

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

Our Company has received written consent dated November 27, 2021, from M/s. Priya Choudhary & Associates, LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this 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, dated November 27, 2021 on our Restated Financial Statements; and (ii) their report dated November 27, 2021 on the statement of possible special tax benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated November 20, 2021, from the independent chartered engineer namely, M/s. Orbit Consultants and Valuers, to include his name in this Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in his capacity as a chartered engineer, in relation to his certificate dated September 15, 2021, certifying the capacity utilisation of the manufacturing facility and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Capital issue during the previous three years by our Company

Except as disclosed in *"Capital Structure – Notes to the capital structure"* on pages 82 of this Red Herring Prospectus, our Company has not made any capital issues during the previous three years.

Particulars regarding public or rights issues during the last five (5) years

Except as stated in the chapter titled "*Capital Structure*" beginning on page 82 of this Red Herring Prospectus, we have not made any previous rights issue during the five (5) years preceding the date of the Red Herring Prospectus. Our Company has not made any public issues during the last five years.

Commission and brokerage on previous issues

Since this is an Initial Public Offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the last five (5) years.

Capital issue during the previous three years by listed Group-Companies/ subsidiaries/ associates of our Company

As on the date of this Red Herring Prospectus, our Company does not have any subsidiary, associate or Group Companies.

Performance vis-a-vis objects – Public/ rights issue of our Company

Except as stated under chapter titled *"Capital Structure"* beginning on page 82 of the Red Herring Prospectus, our Company has not undertaken any previous rights issue. Further, this Offer is an "Initial

Public Offer" in terms of SEBI ICDR Regulations and our Company has not undertaken any previous public issue.

Performance vis-a-vis objects - Last one Public Issue/ Rights Issue of Subsidiaries/ Listed Promoters

Except as disclosed under chapter titled *"Capital Structure"* beginning on page 82 of the Red Herring Prospectus, our Company has not undertaken any rights issue in the five years preceding the date of this Prospectus. Our Company has not made any public issues in the five years preceding the date of this Prospectus.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Price Information and track record of past issued handled by the Book Running Lead Manager

Unistone Capital Private Limited

Sr. No.	Issue Name	Issue Size (in Lacs)	Issue price	Listing date	Opening price on listing date	+/-% change in closing price,[+/-% change in closing benchmark]-30th calendar days from listing	+/-% change in closing price,[+/-% change in closing benchmark]-90th calendar days from listing	+/-% change in closing price,[+/-% change in closing benchmark]-180th calendar days from listing
1	Kapston Facilities Management Limited	2119.68	92	April 4,2018	92.50	3.26%,[4.84%]	3.91%, [5.64%]	1.09%, [8.69%]
2	Supreme Engineering Limited	1777.68	27	September 6, 2018	27.10	-4.59%,[-10.58%]	-19.27%,[- 6.54%]	-11.93%, [-4.76%]
3	Likhitha Infrastructure Limited	6120.00	120	October 15, 2020	136.60	16.14%, [10.22%]	41.43%,[23.74%]	170.87%, [24.84%]
4	Siddhika Coatings Limited	469.68	57	April 7, 2021	56.95	0.88%, [0.02%]	21.05%, [7.18%]	62.72%,[20.05%]
5	Bombay Metrics Supply Chain Limited	428.54	93	October 12, 2021	103.20	28.35%, [0.62%]	-	-
6	Sigachi Industries Limited	12,542.85	163	November 15, 2021	575	-	-	-

For details regarding the track record of the LM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website www.unistonecapital.com

Notes:

(a) Source: www.nseindia.com for the price information

(b) Wherever 30th/90th/180th calendar day from the listing day is a holiday, the closing data of the next trading day has been considered.

(c) The Nifty 50 index is considered as the benchmark index.

Summary statement of price information of past public issues handled by Unistone Capital Private Limited

Financial Year	Total no. of IPOs	Total Funds Raised (Rs. In Lakh)	Nos. of IPOs trading at discount- 30th calendar days from listing			Nos. of IPOs trading at premium- 30th calendar days from listing			Nos. of IPOs trading at discount- 180th calendar days from listing			Nos. of IPOs trading at premium- 180th calendar days from listing		
			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%
FY 2018-19	2	3897.36	-	-	1	-	-	1	-	-	1	-	-	1
FY 2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2020-21	2	6589.68	-	-	1	-	-	1	-	-	1	1	-	-
FY 2021-22	2**	12971.39	-	-	-	-	1	-	-	-	-	-	-	-

**The information is as on the date of the document. The information for each of the financial years is based on issues listed during such financial year.*
*** Sigachi Industries Limited listed as on November 15, 2021*

Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the BRLM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website www.unistonecapital.com

Mechanism for Redressal of Investor Grievances

The Agreement between the Registrar to the Offer and our Company provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Bidding process may be addressed to the Registrar to the Offer with a copy to the Designated Intermediary to whom Bid cum Application Form was submitted, giving full details such as name of the sole or first Bidder, address of the applicant, UPI ID (if applicable), Bidder DP ID, Client ID,UPI ID, PAN, date of submission of Bid cum Application Form, application number, number of Equity Shares applied for, amount paid on application, Depository Participant and the bank branch or collection centre where the application was submitted.

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 Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Manager and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any post- Offer 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.

Disposal of Investor Grievances by our Company

Our Company has constituted a Stakeholders' Relationship 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. For details, please refer to the chapter titled *"Our Management"* beginning on page 179 of this Red Herring Prospectus.

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be Ten (10) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Jyoti Chawda, as the Company Secretary & Compliance Officer to redress complaints, if any, of the investors participating in the Offer. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Jyoti Nikunj Chawda
HP Adhesives Limited
11 Unique House, Chakala Cross Road,
Andheri East, Mumbai – 400 099, Maharashtra.
Telephone: 022 - 68196300
Website: www.hpadhesives.com
Email id: cs@hpadhesives.com

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre- Offer or post- Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity

Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

The Company has obtained authentication on the SCORES and complied with the SEBI circular no. CIR/OIAE/1/2013 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

As on the date of this Red Herring Prospectus there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Red Herring Prospectus.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

(a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable to action under section 447 of the Companies, Act 2013.

SECTION VII - OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the MoA, the AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, Red Herring Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. 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 Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and tothe extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting their approval for the Offer.

Ranking of Equity Shares

The Equity Shares being Allotted pursuant to the Offer shall rank pari passu in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees upon Allotment of Equity Shares in the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of the Allotment. For further details, see "Main Provisions of Articles of Association" beginning on page 361.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, 2013 the Memorandum of Association and the Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "Dividend Policy" and "Main Provisions of Articles of Association" beginning on pages 201 and 361 respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 10/- and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Offer Price, Price Band and the minimum Bid Lot, will be decided by our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, and advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located, each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their 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 on the respective websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination of Equity Shares.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder. Expenses for the Offer shall be shared amongst our Company and each of the Selling Shareholder in the manner specified in "Objects of the Offer – Offer Expenses" on page 94 of this Red Herring Prospectus.

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:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act, 2013;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 2013 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, etc., see "Main Provisions of Articles of Association" beginning on page 361.

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 and trading of the Equity Shares shall also only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated July 30, 2021 amongst our Company, NSDL and the Registrar to the Offer.
- Tripartite agreement dated August 02, 2021 amongst our Company, CDSL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of [●] Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint holders

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 holders with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, and the rules framed thereunder, the sole Bidder, or the first Bidderalong 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/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 in the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agent 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 our 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 totransfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, 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 Offer will be made only in dematerialised 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 Offer

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, reserve the right not to proceed with the Fresh Issue, and each of the Selling Shareholder reserves the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of their respective portion of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI,providing reasons for not proceeding with the Offer. The Book Running Lead Manager, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank (in case of RIBs using the UPI Mechanism), to unblock the bank accounts of the ASBABidders and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Sharesare proposed to be listed.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) filing of the Prospectus with the RoC. If our Company or the Selling Shareholder, in consultation with the Book Running Lead Manager withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/ Offer Programme

BID/ OFFER OPENS ON	December 15, 2021*
BID/ OFFER CLOSES ON	December 17, 2021**

* Our Company may, in consultation with the Selling Shareholder and the Manager, consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period will be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.

** Our Company may, in consultation with the Selling Shareholder and the Manager, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations

The Anchor Investor Bid/Offer Period will be one Working Day prior to the Bid/Offer Opening Date i.e., December 14, 2021, in accordance with the SEBI ICDR Regulations.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Wednesday, December 22, 2021
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account	On or about Thursday, December 23, 2021
Credit of Equity Shares to demat accounts of Allottees	On or about Friday, December 24, 2021
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Monday, December 27, 2021

The above timetable is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholder or the Book Running Lead Manager.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days from the Bid/Offer Closing Date or such period as may be prescribed, with reasonable support and co-operation of each of the Selling Shareholder, as may be required in respect of its respective portion of the Offered Shares, the timetable may change due to various factors, any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholder, severally and not jointly, confirms that it shall extend such reasonable support and co-operation in relation to its respective portion of the Offered Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Manager 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.

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/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% of the application amount, whichever is higher, for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date in terms of the UPI Circulars. For details, please see 'Offer Procedure' beginning on page 335 of this RHP.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10:00 a.m. and 5:00 p.m. Indian Standard Time ("IST")
Bid/ Offer Closing Date	
Submission and Revision in Bids	Only between 10:00 a.m. and 3:00 p.m. IST

On the Bid/ Offer Closing Date, the Bids were uploaded until:

(i) 4:00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/ Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the Book Running Lead Manager to the Stock Exchanges.

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/Offer Closing Date, Bidders were advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer 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 Offer. Bids and any revision in Bids will be accepted only during Working Days.

In case of discrepancy in data entered in the electronic book vis-à-vis 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.

None among our Company and the Selling Shareholder 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 Selling Shareholder and the Book Running Lead Manager, reserves the right to revise the Price Band during the Bid/ Offer Period. 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. 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/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer 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/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by

issuing a press release and also by indicating the change on the websites of the Manager and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/ Offer Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days after our Company becomes liable to pay the amount our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum.

In the event of achieving aforesaid minimum subscription, however, there is under-subscription in achieving the total Offer size,the Equity Shares will be Allotted in the following order:

(i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed;
(ii) upon (i), all the Equity Shares held by the Selling Shareholder and offered for sale in the Offer for Sale will be Allotted(in proportion to the Offered Shares being offered by each Selling Shareholder); and
(iii)once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by ourCompany towards the balance 10% of the Fresh Issue portion;

No liability to make any payment of interest or expenses shall accrue to any Selling Shareholder unless the delay in making anyof the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder, to the extent of its portionof the Offered Shares or in the manner as may be mutually agreed upon between the Selling Shareholder. Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restrictions, if any on transfer and transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share Capital of our Company, lock-in of the Promoters' contribution and the Anchor Investor lock-in as provided in "Capital Structure" beginning on page 82 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of the Equity Shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "Main Provisions of Articles of Association" beginning on page 361 .

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

OFFER STRUCTURE

Initial Public Offer of up to 45,97,200 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs comprising of a Fresh Issue of up to 41,40,000 Equity Shares aggregating up to ₹ [●] Lakhs by our Company and an Offer for Sale of up to 4,57,200 Equity Shares aggregating up to ₹ [●] Lakhs by the Selling Shareholder. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made through the Book Building Process.

Particulars of the Offer	Qualified Institutional Buyers(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for allocation/ allotment*(2)	Not more than [●] Equity Shares	Up to [●] Equity Shares	Up to [●] Equity Shares
Percentage of Offer Size available for allocation/ allotment	Not less than 75% of the Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not more than 15% of the Net Offer shall be available for allocation	Not more than 10% of the Net Offer shall be available for allocation
Basis of Allotment/ Allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Upto [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only	Proportionate	Proportionate subject to minimum lot as explained in the chapter titled "*Offer Procedure*" beginning on page 335 of this Red Herring Prospectus.
Mode of Bid	ASBA only (except for Anchor Investors)(3)		
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 2.00 Lakhs	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid	[●] Equity Shares

Particulars of the Offer	Qualified Institutional Buyers[1]	Non-Institutional Bidders	Retail Individual Bidders
		Amount exceeds ₹ 2.00 Lakhs	
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to limits as applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to limits applicable to Bidder	Such number of Equity Shares in multiples of [●] Equity Shares such that the bid amount does not exceed ₹ 2.00 Lakhs.
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 one Equity Shares thereafter		
Trading Lot	One Equity Share		
Who can apply[4]	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs	Resident Indian Individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, family offices and trusts for Equity Shares such that the Bid Amount exceeds ₹ 2.00 Lakhs in value.	Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed ₹ 2.00 Lakhs in value.
Terms of Payment	**In case of Anchor Investors:** Full Bid amount shall be payable by the Anchor Investors at the time of submission of their Bids.[5]		

Particulars of the Offer	Qualified Institutional Buyers[1]	Non-Institutional Bidders	Retail Individual Bidders
	In case of all other Bidders: 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, that is specified in the ASBA Form at the time of submission of the ASBA Form		

**Assuming full subscription in the Offer*

(1) Our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 10 Crore, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 10 Crore but up to ₹ 250 Crore under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 5 Crore per Anchor Investor, and (iii) in case of allocation above ₹ 250 Crore under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 250 Crore, and an additional 10 Anchor Investors for every additional ₹ 250 Crore or part thereof will be permitted, subject to minimum allotment of ₹ 5 Crore per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.
(2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR and Regulation 6(2) of the SEBI ICDR Regulations.
(3) Anchor Investors are not permitted to use the ASBA process.
(4) 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. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories. Further, a Bidder Bidding in the Shareholders Reservation Portion (subject to the Bid Amount being up to ₹200,000) may also Bid in the Retail Portion under the Net Offer and such Bids shall not be treated as multiple Bids;
(5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, 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.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and the Designated Stock Exchange. For further details, please see the chapter titled *"Terms of the Offer"* beginning on page 326 of this Red Herring Prospectus.

OFFER PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013 the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by RIBs through the UPI Mechanism.

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application 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 (xiii) interest in case of delay in Allotment or refund.*

*SEBI vide 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, 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, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 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 was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 202 extended the timeline for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This Circular has come into force for initial public offers opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Red Herring Prospectus*

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/Offer Closing Date, the

Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company, the Selling Shareholder and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus, the Red Herring Prospectus and the Prospectus. Bidders were advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and did not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified this Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Further, our Company, the Selling Shareholder and the Book Running Lead Manager are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer has been made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be made available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, and the Designated Stock Exchange and subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

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, PAN and UPI ID (in case of RIBs using the UPI mechanism). Eligible Employees Bidding in the Employee Reservation Portion 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. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant tothe 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 DesignatedIntermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up tothree 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 have introduced the UPI Mechanism in three phases in thefollowing manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was 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 purposeof 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. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs)to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration frompublic issue closure to listing would continue 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 closureto listing is proposed to be reduced to three Working Days.

The Offer 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/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of Financial Express, Jansatta and Mumbai editions of Navshakti (which are widely circulated English daily, Hindi daily and Marathi daily newspapers, respectively, Marathi also being the regional language of Maharashtra, where our registered office is located) on or prior to the Bid/ Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the RIBs using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

Bid cum Application Form

Copies of the Bid cum Application Form / ASBA Form and the abridged prospectus were made available with the Designated Intermediaries at the Bidding Centres, and at our Registered Office. An electronic copy of the ASBA Form will also be made available for downloadon the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the Book Running Lead Manager.

All Bidders (other than Anchor Investors) shall be mandatorily required to participate in the Offer only through the ASBA process. All ASBA Bidders must provide either, (i) bank account details and authorisation to block funds in the ASBA Form; or (ii) the UPI ID (in case of RIBs), as applicable, 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 the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection.

RIBs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum ApplicationForm and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

Investors must ensure that their PAN is linked with Aadhar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp will be liable to be rejected. RIBs using UPI Mechanism, shall submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account shall submit their ASBA Forms with the SCSBs. ASBA Bidders are also required to ensurethat the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or by Sponsor Bank under the UPI Mechanism, as applicable at the time of submitting the Bid.

Anchor Investors are not permitted to participate in the Offer through the ASBA process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cumApplication Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIsapplying on a non-repatriation basis	White
Non-residents including Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applyingon a repatriation basis	Blue
Anchor Investors	White

* *Excluding electronic Bid cum Application FormsNotes:*

(1) Electronic Bid cum Application forms and the abridged prospectus shall be made available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)

(2) Bid cum Application Forms for Anchor Investors shall be made available at the offices of the Book Running Lead Manager

In case of ASBA Forms, Designated Intermediaries shall be required to upload the relevant bid details in the electronic bidding system of the Stock Exchanges.

Subsequently, for ASBA Forms (other than RIBs using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall be required to submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. 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 the Sponsor Bank on a continuous basis through API integration 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 (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCIor the issuer bank) at whose end the lifecycle of the transaction had come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall be required provide the audit trail to the Book Running Lead Manager for analysing the same and fixing liability.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Electronic registration of Bids

(a) The Designated Intermediary may register the Bids using the on-line 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 on-line facilities for Book Building on a regular basis before the closure of the Offer.

(b) On the Bid/ Offer 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 pm on the next Working Day following the Bid/ Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by Promoters and members of the Promoter Group of our Company, the Book Running Lead Manager and the Syndicate Member

The Book Running Lead Manager and the Syndicate Member shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Manager and the Syndicate Member may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non- Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Manager and Syndicate Member, shall required to be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Manager nor any associates of the Book Running Lead Manager can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Manager;

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Manager;

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or

(iv) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of theBook Running Lead Manager.

Further, the Promoters and members of their respective Promoter Groups shall not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoters and their respective Promoter Group shall not apply in the Offer under the Anchor Investor Portion. For the purposes of the above, a QIB who has the following rights was deemed to be a person related to our Promoters or Promoter Group:

(i) rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group;

(ii) veto rights; or

(iii) right to appoint any nominee director on the Board.

Further, an Anchor Investor was deemed to be an associate of the Book Running Lead Manager, if: (a) either of them controls,directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the Book Running Lead Manager.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, reserve 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 can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicated the scheme concerned for which the Bid has been made.

No Mutual Fund scheme could 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% was not applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs can obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange shall be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of RIBs Bidding through 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 respective SCSB or confirm or accept the UPI Mandate Request (in case of RIBsBidding through 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. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Regulations.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts.

Eligible NRIs Bidding on 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).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 359.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, will be required to be made in the individual name of the Karta. The Bidder shall 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: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs shall be considered at par with Bids from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI including its investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs could be up to 100%, being the sectoral cap, of the paid-up Equity Share capital of our Company on afully diluted basis.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations was 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 Offer were advised to use the Bid cum Application Form for Non- Residents (Blue in colour).

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

With effect from April 1, 2020, the aggregate limits for FPI investments are the sectoral caps applicable to our Company (i.e. upto 100% under the automatic route).

The FEMA (Non-Debt Instruments) Rules, 2019 were enacted on October 17, 2019, in supersession of the Foreign Exchange Management(Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

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 Indiafor checking compliance for a single FPI; and (ii)

obtain validation from Depositories for the FPIs who have invested in the Offerto ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time totime.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPIRegulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India,as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBIand RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified bySEBI; and
d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to

(a) the transfer being made to persons which fulfil the criteria provided under the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whomthe offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs will not be treated as multiple Bids:

- FPIs which utilise the multi investment manager ("**MIM**") structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivativeinvestments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;

- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN will be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid shall be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, will be required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be liable to be rejected.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations as amended, inter alia prescribe the investment restrictions on VCFs, registered with SEBI. The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. The SEBI FVCI Regulations prescribe theinvestment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs (under Schedule I of the FEMA Rules) registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF orFVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial publicoffering.

Category I and II AIFs cannot invest more than 25% of their respective corpus in one investee company. A category III AIF cannot invest more than 10% of its 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 an initial 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 fundis wound up.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior toan initial public offering being undertaken by such company, shall be exempt from lock-in requirements, Provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternativeinvestment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders were treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholder or the Book Running Lead Manager 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, as amended,a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, as amended, shall be required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager reserves the right to reject any Bid without assigning any reason thereof.

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 shall be required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager reserve the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, ("Banking Regulation Act"), and the Master Directions - 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 banking company's 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 capitalof such investee company if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act;, (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or jointventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid up share capitaland reserves. The banking company is required to submit a time-bound action plan for disposal of such shares within a specifiedperiod to RBI. A banking company would require a prior approval of RBI to make investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para (i) above.

Bids by SCSBs

SCSBs participating in the Offer were required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 andCIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs shall be 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 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 byIRDAI shall be required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder in consultation with the Book Running Lead Manager reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("IRDAI Investment Regulations"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised torefer to the IRDA Investment Regulations for specific investment limits applicable to them.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund shall be requiredto be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, AIFs,Mutual Funds, NBFC – SI, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of

₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the powerof 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 shall be required to be attached with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager in their absolute discretion,reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registrationissued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from itsstatutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, shall be required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer 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.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations,which may occur after the date of this 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 law or regulation or as specified in the Red Herring Prospectus or as specified in this Prospectus.

In accordance with existing regulations issued by the RBI, OCBs have not participated in this Offer.

Information for Bidders

The relevant Designated Intermediary can enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip 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 Slip 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 is required to surrender the earlier Acknowledgement Slip and request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

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, the Selling Shareholder and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness ofour Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorsethe correctness or completeness of any of the contents of the Red Herring Prospectus and this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and 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 Investors can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bid/ Offer Period.

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 (other than Anchor Investors) 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 (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum ApplicationForm;

5. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appearsin the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the appand the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIBs using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;

7. 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 RIBs using the UPI Mechanism) to make an application in the Offer;

8. If the first Bidder 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 Bidcum Application Form (for all Bidders other than RIBs bidding using the UPI Mechanism);

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. 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 shouldcontain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary accountheld in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

12. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. 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 Sponsor Bank, as applicable, via the electronic mode, for blockingfunds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer throughthe UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

15. 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 no. MRD/Dop/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PANfor 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, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular no. MRD/DoP/SE/Cir- 8 /2006 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 beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned are liable to be rejected;

16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. 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;

18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

21. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN andUPI ID, if applicable, available in the Depository database;

22. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

25. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, wererequired to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which were required to be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids are liable to be rejected;

26. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

27. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) 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 onthe website of SEBI at www.sebi.gov.in).

The Bid cum Application Form shall be 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 lot;

2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (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 QIBs and 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 ApplicationForms in a colour prescribed for another category of a Bidder;

9. If you are a RIB and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

10. Anchor Investors should not Bid through the ASBA process;

11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

13. Do not submit the GIR number instead of the PAN;

14. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

15. 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;

16. 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);

17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

18. Do not submit a Bid using UPI ID, if you are not a RIB;

19. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries after you have submitted a Bid to the Designated Intermediary;

20. Do not Bid for Equity Shares more than what is specified by respective Stock Exchange for each category;

21. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Offer Closing Date;

22. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

23. 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 a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bidson or before the Bid/Offer Closing Date;

24. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations. If you are RIB and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs.;

25. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPIID; and

26. Do not Bid if you are an OCB;

27. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/ ormobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;

28. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism.

29. Do not submit the Bid cum Application Forms to any non-SCSB bank; and

30. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID

(in case of Bids submittedby RIB Bidder using the UPI Mechanism).

The Bid cum Application Form shall be liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

Bids submitted on a plain paper;

Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

Bids under the UPI Mechanism submitted by RIBs 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);

ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

Bids submitted without the signature of the First Bidder or sole Bidder;

The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;

Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

GIR number furnished instead of PAN;

Bids by RIBs with Bid Amount of a value of more than Rs.2.00 Lakhs (net of Retail Discount);

Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

Bids accompanied by stock invest, money order, postal order or cash; and

Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-Offer or post Offer 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" beginning on page 74 of this Red Herring Prospectus.

In accordance with SEBI circular dated March 16, 2021, for IPOs opening subsequent to May 1, 2021 (or any other date as prescribed by SEBI) in case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/deleted ASBA Forms, the Bidder shall be compensated by the SCSB at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated by the SCSB at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated by the SCSB at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated by the SCSB at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date till the date of the actual unblock.

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 Book Running Lead Manager and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through this Prospectus except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated StockExchange. Further, upon oversubscription, an Allotment of not more than 1% of the Net Offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum 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 shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Selling Shareholder shall, in consultation with the Book Running Lead Manager, in their absolute discretion, decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "**HP Adhesives Limited –IPO Anchor Investor – R"**
(b) In case of non-resident Anchor Investors: **"HP Adhesives Limited –IPO Anchor Investor - NR"**

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangementbetween our Company, the Selling Shareholder and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located, each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of theSEBI ICDR Regulations.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations,which may occur after the date of this Red Herring Prospectus.

Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for did not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

1. adequate arrangements shall be made to collect all Bid cum Application Forms;

2. the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

3. 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 shall be taken in consultation with the Book Running Lead Manager within such period as may be prescribed under applicable law;

4. if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount receivedwill be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;

5. the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

6. 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 amount and expected date of electronic credit of refund;

7. compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;

8. Promoters' contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any,shall be brought in on a pro rata basis before calls are made on the Allottees; and

9. No further issue of the Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Bid monies areunblocked in ASBA Account/refunded on

account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholder

The Selling Shareholder undertakes, severally and not jointly in respect of itself as a Selling Shareholder and its respectiveportion of the Offered Shares that:

1. the Equity Shares offered by it in the Offer for Sale are eligible for being offered in the Offer for Sale in terms of the SEBI ICDR Regulations and shall be in dematerialized form at the time of transfer;

2. it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose of any of its respective Offered Shares being offered pursuant to the Offer until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations;

3. it shall provide such reasonable assistance to our Company and the Book Running Lead Manager in redressal of such investor grievances in relation to its respective Offered Shares and statements specifically made or confirmed by it in relation to itself as a Selling Shareholder;

4. it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

5. it shall provide such reasonable cooperation to our Company in relation to its respective portion of the Offered Shares, (a) for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges, and/ or (b) refund orders (if applicable); and

6. it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the StockExchanges has been received.

Only the statements and undertakings in relation to each of the Selling Shareholder and its portion of the Equity Shares offeredin the Offer for Sale which are specifically "confirmed" or "undertaken" by it in the Red Herring Prospectus, shall be deemed tobe "statements and undertakings specifically confirmed or undertaken" by such Selling Shareholder. All other statements and/or undertakings in the Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholder.

Utilisation of Offer Proceeds

Our Board certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of theFresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating thepurpose for which such monies have been utilised; and

- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

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 orsurname 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 otherperson in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 Lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six monthsextending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times suchamount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50 Lakhs or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FDI Policy of the Government of India and FEMA and the circulars and notifications issued thereunder. While the FDI Policy 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 Government has from time to time made policy pronouncements on foreign direct investment ("FDI") through press notes and press releases.

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("DPIIT"), formerly known as Department of Industrial Policy and Promotion issued the Consolidated FDI Policy Circular of 2020 ("FDI Policy") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Up to 100% foreign investment under the automatic route is currently permitted in the "Manufacturing" sector. For details, see *"Key Industry Regulations and Policies"* on page 170.

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 FDI Policy and transfer does not attract theprovisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign ExchangeManagement (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereofwithin the Offer Period.

As per the existing policy of the Government, OCBs could not participate in this Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any otherapplicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offersand sales occur. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as "QIBs".

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

For further details, see "*Offer Procedure*" beginning on page 335 of this Red Herring Prospectus.

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liablefor any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independentinvestigations and ensure that the number of Equity Shares Bid for did not exceed the applicable limits under laws or regulations.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Article No.	Sub Article No.	Sub Heading	Heading
		TABLE 'F' EXCLUDED	
1	(1)	The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.	TABLE 'F' EXCLUDED
	(2)	The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.	Company to governed by Articles
2		**Interpretation**	
	(1)	In these Articles: (a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable. (b) "Articles" means these articles of association of the Company or as altered from time to time. (c) "Board of Directors" or "Board", means the collective body of the directors of the Company. (d) "Company" means **"HP Adhesives Limited"** (e) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act. (f) "seal" means the common seal of the Company.	"Act" "Articles" "Board of Directors" or "Board" "Company" "Rules" "Seal"
	(2)	Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.	Number and Gender

Article No.	Sub Article No.	Sub Heading	Heading
	(3)	Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be	Expressions in the Articles to bear the same meaning as in the Act
		Share capital and variation of rights	
3		A. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of 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 and at such time as they may from time to time think fit.	Shares under control of Board
		B. The option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.	
4		Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.	Directors may allot shares otherwise than for cash
5		The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: (a) Equity share capital: (i) with voting rights; and / or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference share capital	Kinds of Share Capital
6	(1)	Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide -	Issue of certificate

Article No.	Sub Article No.	Sub Heading	Heading
		(a) one certificate for all his shares without payment of any charges; or (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.	
	(2)	Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon	Certificate to bear Seal
	(3)	In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.	One certificate for shares held jointly
7		A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.	Option to receive share certificate or hold shares with depository
8		If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and Surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.	Issue of new certificate in place of one defaced, lost or destroyed
9		The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.
10	(1)	The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.	Power to pay commission in connection with securities issued
	(2)	The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.	Rate of commission in

Article No.	Sub Article No.	Sub Heading	Heading
			accordance with Rules
	(3)	The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	Mode of payment of commission
11	(1)	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.	Variation of members' rights
	(2)	To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.	Provisions as to General meetings to apply *mutatis mutandis* to each meeting
12		The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.	Issue of further shares not to affect rights of existing members
13		Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.	Power to issue redeemable preference shares
14	(1)	The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to - (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer 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; or (b) employees under any scheme of employees' stock option; or (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.	Further issue of share capital

Article No.	Sub Article No.	Sub Heading	Heading
	(2)	A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.	Mode of further issue of shares
		Lien	
15	(1)	The Company shall have a first and paramount lien - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.	Company's lien on Shares
	(2)	The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.	Lien to extend to dividends, etc.
	(3)	Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.	Waiver of lien in case of registration
16		The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made— (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.	As to enforcing lien by sale
17	(1)	To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.	Validity of sale
	(2)	The purchaser shall be registered as the holder of the shares comprised in any such transfer.	Purchaser to be registered holder
	(3)	The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and	Validity of Company's receipt

Article No.	Sub Article No.	Sub Heading	Heading
		the purchaser shall be registered as the holder of the share.	
	(4)	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.	Purchaser not Affected
18	(1)	The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.	Application of proceeds of sale
	(2)	The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale	Payment of residual money
19		In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.	Outsider's lien not to affect Company's lien
20		The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.	Provisions as to lien to apply *mutatis mutandis* to debentures, etc.
		Calls on shares	
21	(1)	The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.	Board may make calls
	(2)	Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.	Notice of call
	(3)	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.	Board may extend time for payment

Article No.	Sub Article No.	Sub Heading	Heading
	(4)	A call may be revoked or postponed at the discretion of the Board.	Revocation or postponement of call
22		A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.	Call to take effect from date of resolution
23		The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	Liability of joint holders of shares
24	(1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.	When interest on call or instalment payable
	(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part	Board may waive Interest
25	(1)	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.	Sums deemed to be calls
	(2)	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	Effect of non-payment of sums
26		The Board - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.	Payment in anticipation of calls may carry interest
27		If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time	Instalments on shares to be duly paid

Article No.	Sub Article No.	Sub Heading	Heading
		to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.	
28		All calls shall be made on a uniform basis on all shares falling under the same class. *Explanation*: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.	Calls on shares of same class to be on uniform basis
29		Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof 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 shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.	Partial payment not to preclude forfeiture
30		The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including Debentures of the Company.	Provisions as to calls to apply mutatis mutandis to debentures, etc.
31	(1)	The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.	Instrument of transfer to be executed by transferor and transferee
	(2)	The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	
32		The Board may, subject to the right of appeal conferred by the Act decline to register - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the Company has a lien.	Board may refuse to register transfer
33		In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless - (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and	Board may decline to recognise instrument of Transfer

Article No.	Sub Article No.	Sub Heading	Heading
		(c) the instrument of transfer is in respect of only one class of shares.	
34		On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.	Transfer of shares when suspended
35		The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.	Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.
		Transmission of shares	
36	(1)	On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.	Title to shares on death of a member
	(2)	Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	Estate of deceased member liable
37	(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 properly be required by the Board and subject as herein after provided, elect, either - (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made.	Transmission Clause
	(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.	Board's right unaffected
	(3)	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.	Indemnity to the Company
38	(1)	If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall	Right to election of holder of share

Article No.	Sub Article No.	Sub Heading	Heading
		deliver or send to the Company a notice in writing signed by him stating that he so elects.	
	(2)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.	Manner of testifying election
	(3)	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 or transfer were a transfer signed by that member.	Limitations applicable to notice
39		A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.	Claimant to be entitled to same advantage
40		The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other Securities including debentures of the Company.	Provisions as to transmission to apply *mutatis mutandis* to debentures, etc.
		Forfeiture of Shares	
41		If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.	If call or instalment not paid notice must be given
42		The notice aforesaid shall:	Form of notice

Article No.	Sub Article No.	Sub Heading	Heading
		(a) name a further day (not being earlier than the expiry 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 (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	
43		If the requirements of any such notice as aforesaid 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.	In default of payment of shares to be forfeited
44		Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	Receipt of part amount or grant of indulgence not to affect forfeiture
45		When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	Entry of forfeiture in register of members
46		The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	Effect of forfeiture
47	(1)	A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. Forfeited shares may be sold, etc.	Forfeited shares may be sold, etc.
	(2)	At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Cancellation of Forfeiture

Article No.	Sub Article No.	Sub Heading	Heading
48	(1)	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.	Members still liable to pay money owing at the time of forfeiture
	(2)	All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	Member still liable to pay money owing at time of forfeiture and interest
	(3)	The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.	Ceaser of liability
49	(1)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary 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;	Certificate of Forfeiture
	(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;	Title of purchaser and transferee of forfeited shares
	(3)	The transferee shall thereupon be registered as the holder of the share; and	Transferee to be registered as holder
	(4)	The transferee shall not be bound to see to the application 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, re-allotment or disposal of the share.	Transferee not affected
50		Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	Validity of sales

Article No.	Sub Article No.	Sub Heading	Heading
51		Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	Cancellation of share certificate in respect of forfeited Shares
52		The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	Surrender of share certificates
53		The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified	Sums deemed to be calls
54		A. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.	Provisions as to forfeiture of shares to apply *mutatis mutandis* to debentures, etc.
		B. No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provision of Sections 124 and 125 of the Act in respect of all unclaimed or unpaid dividends.	
		Alteration of capital	
55		Subject to the provisions of the Act, the Company may, by ordinary resolution - (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;	Power to alter share capital

Article No.	Sub Article No.	Sub Heading	Heading
		(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.	
56	(a)	Where shares are converted into stock: the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles 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;	Shares may be converted into stock
	(b)	the holders of stock shall, according to the amount of 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 in the 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;	Right of stockholders
	(c)	such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.	
57		The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — (a) its share capital; and/or (b) any capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital.	Reduction of capital
		Joint Holders	
58		Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:	Joint-holders

Article No.	Sub Article No.	Sub Heading	Heading
	(a)	The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.	Liability of Joint holders
	(b)	On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.	Death of one or more joint-holders
	(c)	Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.	Receipt of one Sufficient
	(d)	Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.	Delivery of certificate and giving of notice to first named holder
	(e)	(i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof. ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.	Vote of joint holders Executors or administrators as joint holders
	(f)	The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.	Provisions as to joint holders as to shares to apply *mutatis mutandis* to debentures, etc.
		Capitalisation of profits	
59	(1)	The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —	Capitalisation

Article No.	Sub Article No.	Sub Heading	Heading
		(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.	
	(2)	The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards : (A) paying up any amounts for the time being unpaid on any shares held by such members respectively; (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).	Sum how applied
	(3)	A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;	
	(4)	The Board shall give effect to the resolution passed by the Company in pursuance of this Article.	
60	(1)	Whenever such a resolution as aforesaid shall have been passed, the Board shall - (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and (b) generally do all acts and things required to give effect thereto	Powers of the Board for capitalisation
	(2)	The Board shall have power— (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement	Board's power to issue fractional certificate/ coupon etc.

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		with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities 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 profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.	
	(3)	Any agreement made under such authority shall be effective and binding on such members	Agreement binding on members
		Buy Back of Shares	
61		Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	Buy Back of Shares
		General meetings	
62		All general meetings other than annual general meeting shall be called extraordinary general meeting.	Extraordinary general meeting
63		The Board may, whenever it thinks fit, call an extraordinary general meeting.	Powers of Board to call extraordinary general meeting
		Proceedings at general meetings	
64	(1)	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.	Presence of Quorum
	(2)	No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.	Business confined to election of Chairperson whilst chair vacant
	(3)	The quorum for a general meeting shall be as provided in the Act.	Quorum for general meeting
65		The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.	Chairperson of the meetings
66		If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	Directors to elect a Chairperson
67		If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or	Members to elect a Chairperson

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		electronically, choose one of their members to be Chairperson of the meeting.	
68		On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	Casting vote of Chairperson at general meeting
69	(1)	The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.	Minutes of proceedings of meetings and resolutions passed by postal ballot
	(2)	There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting - (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.	Certain matters not to be included in Minutes
	(3)	The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.	Discretion of Chairperson in relation to Minutes
	(4)	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	Minutes to be evidence
70	(1)	The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: (a) be kept at the registered office of the Company; and (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.	Inspection of minute books of general meeting
70	(2)	Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above: Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general	Members may obtain copy of minutes

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		meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.	
71		The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.	Powers to arrange security at meetings
		Adjournment of meeting	
72	(1)	The Chairperson may, suo moto, adjourn the meeting from time to time and from place to place.	Chairperson may adjourn the meeting
	(2)	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	Business at adjourned meeting
	(3)	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.	Notice of adjourned meeting
	(4)	Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Notice of adjourned meeting not required
		Voting rights	
73		Subject to any rights or restrictions for the time being attached to any class or classes of shares (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.	Entitlement to vote on show of hands and on poll
74		A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.	Voting through electronic means
75	(1)	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.	Vote of joint holders
	(2)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	Seniority of names
76		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	How members *non compos mentis* and minor may vote

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		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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.	
77		Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members, etc.
78		Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	Business may Proceed pending poll
79		No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.	Restriction on voting rights
80		A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.	Restriction on exercise of voting rights in other cases to be void
81		Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	Equal rights of Members
		Proxy	
82	(1)	Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.	Member may vote in person or otherwise
	(2)	The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument	Proxies when to be deposited

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		proposes to vote, and in default the instrument of proxy shall not be treated as valid.	
83		An instrument appointing a proxy shall be in the form as prescribed in the Rules.	Form of proxy
84		A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:	Proxy to be valid notwithstanding death of the principal
		Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.	
		Board of Directors	
85		Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 14 (fourteen).	Board of Directors
86	(1)	The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.	Directors not liable to retire by rotation
	(2)	The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.	Same individual may be Chairperson and Managing Director/ Chief Executive Officer
87	(1)	The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	Remuneration of directors
	(2)	The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.	Remuneration to require members' consent
	(3)	In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or (b) in connection with the business of the Company.	Travelling and other expenses

Article No.	Sub Article No.	Sub Heading	Heading
88		All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.	Execution of negotiable Instruments
89	(1)	Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.	Appointment of additional Directors
	(2)	Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.	Duration of office of additional director
90	(1)	The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.	Appointment of alternate director
	(2)	An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.	Duration of office of alternate director
	(3)	If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.	Re-appointment provisions applicable to Original Director
91	(1)	If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.	Appointment of director to fill a casual vacancy
	(2)	The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.	Duration of office of Director appointed to fill casual vacancy
		Powers of Board	
92		The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and	General powers of the Company vested in Board

Article No.	Sub Article No.	Sub Heading	Heading
		things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made	
		Proceedings of the Board	
93	(1)	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.	When meeting to be convened
	(2)	The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board	Who may summon Board meeting
	(3)	The quorum for a Board meeting shall be as provided in the Act.	Quorum for Board meetings
	(4)	The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	Participation at Board meetings
94	(1)	Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.	Questions at Board meeting how decided
	(2)	In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	Casting vote of Chairperson at Board meeting
95		The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	Directors not to act when number falls below minimum
96	(1)	The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.	Who to preside at meetings of the Board

Article No.	Sub Article No.	Sub Heading	Heading
	(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.	Directors to elect a Chairperson
97	(1)	The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.	Delegation of powers
	(2)	Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.	Committee to conform to Board regulations
	(3)	The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	Participation at Committee Meetings
98	(1)	A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.	Chairperson of Committee
	(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Who to preside at meetings of Committee
99	(1)	A Committee may meet and adjourn as it thinks fit.	Committee to meet
	(2)	Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.	Questions at Committee meeting how decided
	(3)	In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.	Casting vote of Chairperson at Committee meeting
100		All acts done in any meeting of the Board or of 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 of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	Acts of Board or Committee valid notwithstanding defect of appointment
101.		Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the	Passing of resolution by circulation

Article No.	Sub Article No.	Sub Heading	Heading
		members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.	
		Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer	
102	(a)	Subject to the provisions of the Act,— A chief executive officer, manager, company secretary and 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 and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.	Chief Executive Officer, etc.
	(b)	A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.	Director may be chief executive officer, etc.
		Registers	
103		The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.	Statutory registers
104	(a)	The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and\ the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.	Foreign register

Article No.	Sub Article No.	Sub Heading	Heading
	(b)	The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.	
		The Seal	
105	(1)	The Board shall provide for the safe custody of the seal.	The seal, its custody and use
		The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.	Affixation of seal
		Dividends and Reserve	
106		The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.	Company in general meeting may declare dividends
107		Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.	Interim dividends
108	(1)	The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied 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.	Dividends only to be paid out of profits
	(2)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	Carry forward of profits
109	(1)	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, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.	Division of profits

Article No.	Sub Article No.	Sub Heading	Heading
	(2)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.	Payments in advance
	(3)	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 dividend as from a particular date such share shall rank for dividend accordingly.	Dividends to be apportioned
110	(1)	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 or otherwise in relation to the shares of the Company.	No member to Receive dividend whilst indebted to the Company and Company's right to reimbursement there from
	(2)	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	Retention of dividends
111	(1)	Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of jointholders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.	Dividend how remitted
	(2)	Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Instrument of payment
	(3)	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made	Discharge to Company
112		Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	Receipt of one holder sufficient
113		No dividend shall bear interest against the Company.	No interest on Dividends
114		The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the	Waiver of dividends

Article No.	Sub Article No.	Sub Heading	Heading
		share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	
		Accounts	
115	(1)	The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.	Inspection by Directors
	(2)	No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.	Restriction on inspection by members
		Winding up	
116		Subject to the applicable provisions of the Act and the Rules made there under -	Winding up of Company
	(a)	If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.	
	(b)	For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.	
	(c)	The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	
		Indemnity and Insurance	
117	(a)	Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.	
	(b)	Subject as aforesaid, every director, managing director, manager, company secretary or other	

Article No.	Sub Article No.	Sub Heading	Heading
		officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.	
	(c)	The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.	
		General Power	
118		Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.	General power

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Red Herring Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected on Working Days from 10.00 a.m. to 5.00 p.m. at the Registered Office of our Company located at HP Adhesives Limited, 11, Unique House, Chakala Cross Road, Andheri East, Mumbai – 400 099, Maharashtra, India., and shall also be available on our website www.hpadhesives.com from the date of this Red Herring Prospectus till the Offer Closing Date.

Any of the contracts or documents mentioned in this 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 applicable laws.

Material Contracts:

1) Offer Agreement dated July 15, 2021 between our Company and the BRLM.
2) Registrar Agreement dated July 07, 2021 between our Company and the Registrar to the Offer.
3) Underwriting Agreement dated [●] between our Company the BRLM and Underwriter.
4) Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated July 30, 2021.
5) Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated August 02, 2021.
6) Cash Escrow and Sponsor Bank Agreement dated November 30, 2021 amongst our Company, the Selling Shareholder, the Registrar to the Offer, the BRLM, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank(s), Public Offer Account Bank(s) and the Refund Bank
7) Share Escrow Agreement dated November 27, 2021 amongst our Company, the Selling Shareholder and the Share Escrow Agent.
8) Monitoring Agency Agreement dated November 30, 2021 amongst our Company and the Monitoring Agency.
9) Syndicate Agreement dated November 30, 2021 amongst our Company, the Selling Shareholder and the Syndicate Member.

Material Documents

1) Certified true copy of the Memorandum and Articles of Association of our Company as amended from time to time;
2) Certificate of incorporation dated May 07, 2019 and fresh certificate of incorporation consequent upon conversion into public limited company dated July 01, 2021;
3) Board resolution and special resolution passed pursuant to Section 62 (1)(c) of the Companies Act, 2013 by the Board and shareholders of our Company approving the Offer, at their meetings held on July 05, 2021 and July 06, 2021 respectively;
4) Copies of annual reports of our Company for the preceding two Fiscals;
5) Agreement dated May 07, 2021 for the reappointment of Mr. Karan Haresh Motwani as the Managing Director of the Company;

6) Resolution of the Board of Directors of our Company dated July 16, 2021 and IPO Committee dated July 18, 2021 dated August 28, 2021 approving this Draft Red Herring Prospectus and Addendum to the DRHP respectively;
7) Resolution of the Board of Directors of our Company dated December 03, 2021 approving this Red Herring Prospectus;
8) Consent dated November 27, 2021, from the statutory & peer review auditor, M/s. Priya Choudhary & Associates, LLP, Chartered Accountants, to include their name as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors and in respect of the: (i) Restated Financial Statements and their examination report dated November 27, 2021 on the Restated Financial Statements; and (ii) the statement of Special tax benefits dated November 27, 2021 included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus;
9) Consents of Promoters, Selling Shareholder, Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Banker to the Company, Legal Advisor to the Offer, Book Running Lead Manager, Registrar to the Offer, and Bankers to the Offer/ Public Offer Bank/ Refund Banker, Sponsor Banker and Share Escrow Agent to include their names in the Red Herring Prospectus and to act in their respective capacities.
10) Report titled *"Assessment of Adhesives and Sealants market in India"* dated November 2021 (the "**CRISIL Research**") prepared and issued by CRISIL Limited.
11) Consent to act as an expert pursuant to a certificate dated September 15, 2021 issued by M/s. Orbit Consultants and Valuers, Chartered Engineer.
12) Certificate of Eligibility dated August 28, 2021 issued by the statutory & peer review auditor, M/s. Priya Choudhary & Associates, LLP, Chartered Accountants.
13) SEBI interim clarifications bearing reference number SEBI/HO/CFD/DIL1/RG/NKM/OW/P/18551/2021 dated August 9, 2021 and final observation letter bearing reference number SEBI/HO/CFD/DIL2/RG/NKM/OW/P/29480/2021 dated October 22, 2021.
14) Copy of In-principle Approval from the NSE *vide* letter dated September 03, 2021 and from BSE *vide* letter dated August 09, 2021 to use their names in this Offer Document for listing of Equity Shares on the National Stock Exchange of India Limited and BSE Limited.
15) Due Diligence Certificate dated July 18, 2021 from the Book Running Lead Manager.

Any of the contracts or documents mentioned in this 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 subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all disclosures made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Name & Designation	Signature
Anjana Haresh Motwani *Chairperson and Executive director*	
Karan Haresh Motwani *Managing director*	
Surendra Kumar Mehta *Non-Executive and Independent Director*	

SIGNED BY THE KEY MANAGERIAL PERSONNEL OF THE COMPANY

Name & Designation	Signature
Jyoti Nikunj Chawda *Company Secretary & Compliance Officer*	
Mihir Suresh Shah *Chief Financial Officer*	

Place: Mumbai
Date: December 03, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this 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 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Rajendra Kumar Jain
Non-Executive and Independent Director

Place: Rajasthan
Date: December 03, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this 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 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Ajeet Anant Walavalkar
Non-Executive and Independent Director

Place: Pune
Date: December 03, 2021

DECLARATION BY SELLING SHAREHOLDER

I, Anjana Haresh Motwani, acting as Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus about or in relation to myself and the Equity Shares being offered by me in the Offer for Sale are true and correct. I assume no responsibility, as the Selling Shareholder, for any other statements, disclosures and undertakings including any of the statements made or confirmed by or relating to the Company or any other person(s) in this Red Herring Prospectus.

SIGNED BY SELLING SHAREHOLDER

_____

Anjana Haresh Motwani

Place: Mumbai
Date: December 03, 2021