



(Please scan this QR code to view the Draft Red Herring Prospectus)

## ADDENDUM TO DRAFT RED HERRING PROSPECTUS DATED AUGUST 01, 2025



### NEOCHEM BIO SOLUTIONS LIMITED

(FORMERLY KNOWN AS NEOCHEM BIO SOLUTIONS PRIVATE LIMITED AND NEOCHEM TECHNOLOGIES PRIVATE LIMITED)

CORPORATE IDENTIFICATION NUMBER: U24304GJ2017PLC097754

Our Company was originally formed as a partnership firm under the Indian Partnership Act, 1932 ("Partnership Act") in the name and style of "M/s Vinayak Dyes & Chemical Industries", pursuant to Deed of Partnership dated March 6, 1978. Vinayak Dyes & Chemical Industries was changed to "Neochem Technologies" with effect from January 6, 2006 and further the firm was converted from Partnership Firm to Private Limited company under Part I chapter XXI of the Companies Act, 2013 and received a Certificate of Incorporation from Registrar of Companies, Ahmedabad at Gujarat ("RoC") on June 6, 2017 as "Neochem Technologies Private Limited". Furthermore, the name of our Company was changed from Neochem Technologies Private Limited to Neochem Bio Solutions Private Limited and Certificate of Name change dated March 18, 2025 was received by the Company. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our shareholders resolution dated March 26, 2025, and the name of our Company was changed to "Neochem Bio Solutions Limited". A fresh certificate of Incorporation consequent upon conversion from a Private Limited company to Public Limited company dated April 15, 2025 was issued by the Registrar of Companies, Central Processing Centre. For details of the change in the registered office of our Company, see "History and Certain Corporate Matters" on page 200 of this Draft Red Herring Prospectus.

Registered Office: 303, W1, Opp. Vikramnagar Colony, Off. Iscon - Ambli road, Ambli, Ahmedabad - 380058, Daskroi, Gujarat, India

Website: [www.neochem.in](http://www.neochem.in) ; E-Mail: [compliance@neochem.in](mailto:compliance@neochem.in) ; Telephone No: +91 -079- 35217792

Company Secretary and Compliance Officer: Shradha Agrawal

Chief Financial Officer: Pradip Solanki

PROMOTERS OF OUR COMPANY: SWAPNIL RAMESHBHAI MAKATI AND HEMANGINI SWAPNIL DATHIA		
THE ISSUE		
INITIAL PUBLIC ISSUE OF UPTO 47,50,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF NEOCHEM BIO SOLUTIONS LIMITED (FORMERLY KNOWN AS NEOCHEM BIO SOLUTIONS PRIVATE LIMITED & NEOCHEM TECHNOLOGIES PRIVATE LIMITED), ("NEOCHEM" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹10/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹10/- PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹10 LAKHS ("THE ISSUE"), OF WHICH 10 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹10/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹10/- PER EQUITY SHARE AGGREGATING TO ₹10 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF 10 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A PRICE OF ₹10/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹10/- PER EQUITY SHARE AGGREGATING TO ₹10 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 10% AND 10%, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.		
Our Company had filed the Draft Red Herring Prospectus dated August 01, 2025 with the Stock Exchange. Pursuant to certain observations received from the Stock Exchange, the required updates to key portions of the sections titled "Risk Factors", "Objects of the Issue", "Our Business", "Our Management", and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 31, 103, 166, 205 and 266 respectively, of the Draft Red Herring Prospectus, have been included in this Addendum. The changes pursuant to the Stock Exchange observations will be duly reflected in the Red Herring Prospectus and Prospectus as and when filed with the RoC, the SEBI and the Stock Exchange.		
The Draft Red Herring Prospectus, including the sections titled "Risk Factors", "Objects of the Issue", "Our Business", "Our Management", and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 31, 103, 166, 205 and 266 respectively, respectively, shall be appropriately updated in the Red Herring Prospectus to reflect the changes indicated in this Addendum.		
The changes conveyed by way of this Addendum are to be read in conjunction with the Draft Red Herring Prospectus and, accordingly, the corresponding references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. The information in this Addendum supplements the Draft Red Herring Prospectus and updates the information in the Draft Red Herring Prospectus. However, this Addendum does not purport to, nor does it, reflect all the changes that have occurred from the date of filing of the Draft Red Herring Prospectus and the date of this Addendum. Accordingly, this Addendum does not include all the changes and/or updates that will be included in the Red Herring Prospectus and the Prospectus as and when filed with the RoC, the SEBI and the Stock Exchange. Please note that the information included in the Draft Red Herring Prospectus will be suitably updated, including to the extent updated by way of this Addendum, as may be applicable, in the Red Herring Prospectus and the Prospectus. Investors should not rely on the Draft Red Herring Prospectus or this Addendum for any investment decision, and should read the Red Herring Prospectus, as and when it is filed with the RoC, SEBI and the Stock Exchange before making an investment decision with respect to the Issue.		
This Addendum which has been filed with the Stock Exchange and will be available on the website of Stock Exchange at <a href="http://www.nseindia.com">www.nseindia.com</a> , the website of the Company at <a href="http://www.neochem.in">www.neochem.in</a> , and the website of the Book Running Lead Manager, namely, Vivro Financial Services Private Limited at <a href="http://www.vivro.net">www.vivro.net</a> . All capitalized terms used in this Addendum and not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.		
<b>Date: October 16, 2025</b> <b>Place: Ahmedabad</b>		
<b>On Behalf of Neochem Bio Solutions Limited</b> <b>(FORMERLY KNOWN AS NEOCHEM BIO SOLUTIONS PRIVATE LIMITED AND NEOCHEM TECHNOLOGIES PRIVATE LIMITED)</b> <b>Sd/-</b> <b>Swapnil Rameshbhai Makati</b> <b>Managing Director</b> <b>DIN: 00188382</b>		
BOOK RUNNING LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE
<b>Vivro Financial Services Private Limited</b> Vivro House, 11 Shashi Colony, Opp Suvridha Shopping Center, Paldi, Ahmedabad – 380007 Gujarat, India. <b>Telephone:</b> +91-79-4040 4242 <b>E-mail Id:</b> <a href="mailto:investors@vivro.net">investors@vivro.net</a> <b>Investor Grievance Id:</b> <a href="mailto:investors@vivro.net">investors@vivro.net</a> <b>Website:</b> <a href="http://www.vivro.net">www.vivro.net</a> <b>Contact Person:</b> Kruti Saraiya/Jay Dodiya <b>SEBI Registration No.:</b> INM000010122 <b>CIN:</b> U67120GJ1996PTC029182		<b>MUFG Intime India Private Limited</b> <b>(Formerly known as Link Intime India Private Limited)</b> C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400083, (Maharashtra), India. <b>Telephone:</b> +91 810 811 4949 <b>Website:</b> <a href="http://www.in.mpmfsmufg.com">www.in.mpmfsmufg.com</a> <b>Email ID:</b> <a href="mailto:neochem.smeipo@in.mpmfsmufg.com">neochem.smeipo@in.mpmfsmufg.com</a> <b>Investor Grievance</b> <a href="mailto:neochem.smeipo@in.mpmfsmufg.com">neochem.smeipo@in.mpmfsmufg.com</a> <b>Contact Person:</b> Shanti Gopalkrishnan <b>SEBI Registration No.:</b> INR000004058 <b>CIN:</b> U67190MH1999PTC118368
BID/ISSUE PERIOD		
<b>ANCHOR BID/ISSUE PERIOD: [●]*</b>	<b>BID/ISSUE OPENS ON: [●]</b>	<b>BID/ISSUE CLOSES ON: [●]**</b>

\*Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period will open one Working Day prior to the Bid/ Issue Opening Date.

\*\*Our Company may, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulation.

\*UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day

## TABLE OF CONTENTS

<b>SECTION I- GENERAL</b> .....	1
DEFINITIONS AND ABBREVIATIONS.....	1
<b>SECTION II- RISK FACTORS</b> .....	2
<b>SECTION VI – PARTICULARS OF THE ISSUE</b> .....	12
OBJECT OF THE ISSUE.....	12
<b>SECTION V – ABOUT THE ISSUE COMPANY</b> .....	15
OUR BUSINESS.....	15
OUR MANAGEMENT .....	26
<b>SECTION VI – FINANCIAL INFORMATION</b> .....	27
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS .....	27
<b>DECLARATION</b> .....	29

## SECTION I- GENERAL

### DEFINITIONS AND ABBREVIATIONS

*The definitions pertaining to the Issue namely, “Addendum”, has been incorporated into the section labeled “Issue Related Definitions” starting on page 1 of the Draft Red Herring Prospectus.*

#### Issue Related Definitions

Terms	Description
“Addendum”	This addendum dated October 16, 2025 to the draft red herring prospectus dated August 01, 2025 filed by our Company with Stock Exchange

*[Remainder of the page has been intentionally left blank]*

## SECTION II- RISK FACTORS

*Risk Factors numbered 11, 12, 44 and 47 as appearing in the section entitled “Risk factors” starting on pages 31 of the Draft Red Herring Prospectus (“DRHP”) have been appropriately reorganized and are now listed as Risk Factors 25, 26, 11 and 12, respectively. Additionally, Risk Factors 10, 22, 23, 24, 27, 28, 29, 36, 37, 38, 39, 40, 41, 42, 43 and 50 have either been updated or newly incorporated into this document.*

### INTERNAL RISK FACTORS

- 10. *Our operations can be adversely affected in case of industrial accidents at our manufacturing units. Further, any fire or mishap or accidents of such nature at the Company's facilities could lead to accident claims and damage and loss of property, inventory, raw materials, etc.***

We operate in an inherently hazardous industry involving the research, development and manufacture of products that require the handling of volatile, flammable and hazardous chemicals, processes, and by-products. As such, we are subject to an extensive and increasingly stringent framework of environmental, health and safety laws, regulations and standards. Although, we have availed public liability insurance policy, we cannot assure you that we will be able to receive a claim from these policies, failing which we will have to provide the compensation to the employees from our own resources.

While no industrial accident, fire, or similar incident has occurred at our manufacturing units in the past, there can be no assurance that such incidents will not occur in the future. Our Company has adopted adequate safety measures, we cannot assure you that, in the future no such cases will be instituted against our Company, alleging that we were negligent or we did not provide adequate supervision therefore, holding us liable for injuries that were suffered during the manufacture of our products. In the event any such accidents take place in the manufacturing unit of our Company, we may get involved in litigation or other proceedings, or be held liable in any litigation or proceedings, 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 and results of operations. Moreover, the discovery of currently unknown environmental conditions or issues may further increase our liabilities.

- 11. *Certain immovable properties are held by us are on leasehold basis. Failure to renew leases or find alternatives could have a material adverse effect on our business, financial condition and operational performance.***

Our registered office, certain branch offices and warehousing facility, are held on a leasehold basis from our Promoters and Promoter Group or third parties. These lease agreements are subject to periodic renewal.

In the event we are unable to renew one or more of these leases on commercially reasonable terms, we may face operational disruptions or may be compelled to vacate such premises, which could result in significant relocation or expansion costs. Furthermore, the terms of these lease agreements may impose certain operational restrictions, including but not limited to, the requirement to obtain the lessor's prior consent for structural modifications, subletting, assignment, transfer or encumbrance of the leased premises. Such conditions may limit our operational flexibility and adversely affect our business operations.

For further details related to our properties, please see “Our Business - Properties” on page 186 of this Draft Red Herring Prospectus.

- 12. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the Objects of the Issue. Any shortfall in raising/meeting the same could adversely affect our growth plans, business operations and financial condition.***

As on date of this Draft Red Herring Prospectus, we have not made any alternate arrangements for meeting our capital requirements for the set out in the Objects of the Issue. We generally meet our capital requirements through owned funds, debt and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of

operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the net issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page 103 of this Draft Red Herring Prospectus.

14. ***There have been some instances of delay in the past with respect to filings of certain forms and intimations under the Companies Act, 2013 with the RoC and revision of filing the forms under the Companies Act. We cannot assure you that regulatory proceedings or actions will not be initiated against us, and we will not be subject to any penalty imposed by the competent regulatory authority in this regard, which may impact our financial condition and reputation.***

In the past, there have been certain instances of delays in filing statutory forms as per the reporting requirements under the Companies Act, 2013 with the ROC such as (i) Form ADT 1 for appointment of Auditor (ii) Form DIR 12 for change in designation of director (iii) Form PAS 3 for allotment of equity shares (iii) Form DPT 3 for return of deposits (iv) Form INC 22 change in registered office (v) Form CHG 1 for creation of charge (vi) Form MGT 7 for filing of the Annual Return. However, our Company has paid the additional fees and the form has been duly filed. Further, there has been instance wherein our Company has inadvertently not disclosed one of the Board Meeting in the annual return for fiscal 2022-23 and 2023-24. In order to address, our Company has filed an application dated August 1, 2025 with RoC, Ahmedabad for defecting the annual return for fiscal 2022-23 and 2023-24 and allowing our Company to file the revised Form MGT-7 as a corrective step as per the guidance of the RoC. We have also obtained a search report dated August 1, 2025 and addendum to PCS report dated August 25, 2025 from M.K. Chokshi & Associates, Practising Company Secretaries, in relation to the said discrepancies and errors.

While we have not received any notice from the ROC, we cannot assure you that the RoC will not impose a penalty or take any other action against our Company in this regard. Any actions, including legal proceedings initiated by regulatory or statutory authorities on our Company or our directors/officers in relation to the same, may have an adverse effect on our business and financial condition and reputation. Further, we cannot assure you that such non-compliances may 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.

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.

22. ***We have entered into and may, from time to time, continue to enter into, transactions with related parties, including our members of the Promoter Group and Group Companies. While such transactions are conducted in compliance with applicable laws and corporate governance norms, there can be no assurance that these transactions, whether individually or in the aggregate, will not have a material adverse effect on our financial condition or results of operations.***

We have entered into certain related party transactions with our Promoters, members of the Promoter Group and Group Companies. These transactions include, among other matters, remuneration paid, loans taken/repaid, issuance of Equity Shares, payment of rent, purchase and sales of goods and payment of commission. For further details, please refer “Restated Financial Information” on page 227 of this Draft Red Herring Prospectus.

The details of related party transactions for the last three years with Promoter, Promoter Group and Group Companies are summarized below:

		(₹ in lakhs)		
<u>Name of related party</u>	<u>Nature of transaction</u>	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>
<u>Hemangini Swapnil Dathia</u>	<u>Remuneration</u>	<u>49.25</u>	<u>30.00</u>	<u>23.50</u>
	<u>Rent expense</u>	<u>9.00</u>	<u>9.00</u>	<u>-</u>
	<u>Loan taken</u>	<u>-</u>	<u>-</u>	<u>17.25</u>
	<u>Loan repaid</u>	<u>-</u>	<u>0.50</u>	<u>21.78</u>

<u>Name of related party</u>	<u>Nature of transaction</u>	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>
	Equity shares issued (Rights Shares)	-	-	11.75
Meena Ramesh Dathia	Rent expense	11.40	8.40	6.00
Ramesh Chimanlal Dathia	Remuneration	-	-	6.82
	Loan repaid	-	-	26.00
	Equity Shares issued	-	-	(98.94)
Swapnil Ramesh Makati	Remuneration	79.63	36.22	36.00
	Rent expense	27.60	30.60	18.00
	Loan taken	161.00	1,751.01	769.80
	Loan repaid	386.65	1,365.74	1,068.44
	Equity shares issued (Rights Shares)	-	200.00	299.58
Dhairya Swapnil Dathia	-	-	-	-
Kyra Swapnil Dathia	-	-	-	-
Renu Chopra	Salary	5.52	5.52	5.52
DR Enterprise	Receipt of service	16.93	17.40	17.40
Altius Biochem Private Limited / Provence Wellness Private Limited	Purchase	53.66	12.38	5.20
	Sale	168.64	-	-
	Commission	10.00	-	-
Neochem Specialities	Purchase	90.51	36.94	1.48
	Sales	3,605.26	2,784.17	1,429.18

We confirm that the transactions with related parties entered into by our Company in the preceding three years, have been carried out at arms' length price and are not prejudicial to the interest of our Company. We may continue to enter into related party transactions in the ordinary course of business. There is no assurance that such current or future transactions, whether individually or in the aggregate, will not have an adverse effect on our business, financial condition or results of operations. Moreover, transactions with related parties may give rise to potential conflicts of interest. We cannot assure you that any disputes that may arise in connection with such transactions will be resolved in our favor.

**23. *Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our results of operations, cash flows and financial condition.***

Our Company's operations are subject to various risks and hazards inherent in the manufacturing business. We have obtained insurance policies in relation to fire, burglary, group personal accident, marine cargo, workmen compensation and vehicle insurance.

At present, the insurance policies of our Company provide for coverage against risks such as fire, theft, burglary, workmen compensation, vehicles and accidents. However, there can be no assurance that any claim under the insurance policies maintained by our Company will be honoured fully, in part or in time. While our Company maintains insurance coverage in amounts consistent with industry norms, the said insurance policies do not cover all risks, specifically risks such as loss of profits.

Set out below are details of our insurance coverage in relation to our total tangible assets as of the dates indicated:

<u>Particulars</u>	<u>As on March 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Insurance cover (₹ in lakhs) (A)	7,052.56	5,832.27	4,906.73
Total tangible assets (₹ in lakhs) (B)	3,517.51	3,012.63	2,640.97
Insurance coverage ratio (%) (C=A/B)	200.50%	193.59%	185.79%

*Note: Total tangible assets include net block of property, plant and equipment excluding land and inventories*

As on the date of the Draft Red Herring Prospectus, there have been no instances where the claims made by the Company have exceeded the liability insurance coverage. The insurance policies maintained by the Company are adequate to cover the identified risks.

There can be no assurance that our Company's insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. If our Company suffers a significant uninsured loss or if the insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by our Company significantly exceeds its insurance coverage, our Company's business, financial condition and results of operations may be materially and adversely affected. Further, there is no assurance that the insurance premium payable by our Company will be commercially viable or justifiable. For further details on the insurance policies availed by us, kindly refer "*Our Business - Insurance*" on page 182 of this Draft Red Herring Prospectus.

Further, 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 that such renewals will be granted in a timely manner, on commercially acceptable terms or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance and which is not covered by insurance or 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, cash flows and financial condition may be adversely affected.

**24. *Our Company has entered into lease arrangements for certain properties with entities related to our Promoters, which may give rise to potential conflicts of interest.***

Our Company has entered into lease arrangements for its registered office and operational premises with individuals related to our Promoters. The registered office located at 303, W1, Opposite Vikram Nagar Colony, Iscon Ambli Road, Ahmedabad, Gujarat, is leased from Swapnil Rameshbhai Dathia at a monthly rent of ₹1.15 lakhs, with the lease valid until March 31, 2026. Further, the Company has leased office premises comprising Office No. 304 and 305 from Swapnil Rameshbhai Dathia and Hemangini Swapnil Dathia, and Office No.306 from Swapnil Rameshbhai Dathia and Meena Rameshbhai Dathia. The monthly rents for these premises are ₹1.15 lakhs, ₹0.75 lakhs, and ₹0.45 lakhs, respectively and all leases are valid until March 31, 2026.

While these arrangements have been entered into at arm's length pricing and the lease agreements are adequately stamped and registered, the involvement of related parties may give rise to potential conflicts of interest or adverse perceptions. Any modification, non-renewal, or termination of these lease agreements may disrupt our business operations and require relocation, which could result in additional costs and operational downtime. Furthermore, any regulatory scrutiny or stakeholder concern regarding the nature of these arrangements may adversely affect our reputation or impose further compliance obligations.

**25. *We are exposed to competition from both domestic and international manufacturers and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

The industry in which we operate is highly competitive and we face intense competition from the existing domestic and international manufacturers with a significant market presence and new entrants. These competitors offer a variety of products and utilize advanced technologies, which may impact our business growth and results of operations. There exists a risk that our competitors may develop products that are more cost-effective, technologically advanced or better aligned with market preferences than those offered by us, potentially rendering our offerings obsolete or less competitive. Some of our competitors possess superior financial strength, broader distribution networks and advanced technical and marketing capabilities, enabling them to respond more effectively to market developments. If the products are available at cheaper prices from existing manufacturers, it may pressurize us on pricing without compromising product quality which may put strain on our profit margin.

Some of our competitors may increase their production capacities and target the same products as us. If we do not maintain or gain sufficient market presence or are unable to differentiate ourselves from our competitors, we may not be able to compete effectively with our competitors. Our ability to compete effectively may be constrained by the following factors:

- Loss of key members of our management team and experienced employees (in particular, those that have relationships with our customers) to our competitors;
- Our competitors may be able to procure funding for their operations at more favorable terms

than us;

- Our competitors may deploy more advanced technology; and
- Certain domestic or regional as well as international competitors may have a lower cost base than ours.

While we have historically been able to conduct our business at competitive margins and on a cost-effective basis, there can be no assurance that we will be able to do so in the future. Some of our competitors may have larger technical and financial resources, provide better pricing, or provide shorter delivery times, larger customer base and may have greater market reach as compared to us. Also, our ability to compete depends on a number of factors beyond our control, including the ability of our competitors to attract, train, motivate and retain highly skilled technical employees which may adversely affect our business, financial condition and results of operations.

**26. *We appoint contract labour for carrying out our operations and we may be held responsible for payment of wages of such workers, if the independent contractors through whom such workers are hired default on their payment obligations. Such obligations could have an adverse impact on our results of operations, cash flows and financial condition.***

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage contract labourers to perform certain ancillary operations at our manufacturing facilities which, inter alia, includes assistance in loading and unloading, material handling and housekeeping.

As on June 30, 2025, we had 53 contract labourers at our Company who are not on our payrolls. The number of contract labourers changes periodically based on the nature and extent of work contracted to independent contractors. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors, including any incorrect disclosure by such independent contractors with respect to the applicability of the provision of the CLRA, as amended.

All contract labourers engaged at manufacturing facility of our Company are assured minimum wages that are fixed by the state governments from time to time. Any upward revision of wages that may be required by the state government to be paid to such contract labourers or offer of permanent employment or the unavailability of the required number of contract labourers, may adversely affect our business operations and financial results. In addition, we may also be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damage caused by our workers or contractors.

**27. *Our revenues are significantly dependent from the customers located in the State of Gujarat and our exports are dispersed across multiple international markets; any adverse developments in Gujarat or in the countries to which we export could adversely affect our business, financial condition, results of operations and prospects.***

A significant portion of our revenues is derived from customers located in the State of Gujarat. For the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, revenue generated from Gujarat constituted 46.83%, 34.88% and 32.20% of our total revenues from operations, respectively. Our dependence on a single state exposes us to a concentration risk. Any adverse political, economic, environmental, legal, regulatory or social developments in Gujarat, including changes in state government policies, natural disasters, labour unrest, disruption of transport and logistics, adverse weather conditions, or other localised events, could materially and adversely impact our operations, revenue and profitability. Further, during the last three financial years, we have exported our products to twelve countries. The following table sets forth the details of our exports by country in absolute and percentage terms for the last three financial years:

<u>Country</u>	<u>Financial year ended</u> <u>March 31, 2023</u>		<u>Financial year ended</u> <u>March 31, 2024</u>		<u>Financial year ended</u> <u>March 31, 2025</u>	
	<u>Amount</u> <u>(in ₹</u> <u>lakhs)</u>	<u>Contribution</u> <u>(in %)</u>	<u>Amount</u> <u>(in ₹ lakhs)</u>	<u>Contribution</u> <u>(in %)</u>	<u>Amount</u> <u>(in ₹ lakhs)</u>	<u>Contribution</u> <u>(in %)</u>
Bangladesh	146.32	1.74%	235.55	3.92%	327.42	7.16%
Australia	121.97	1.45%	83.60	1.39%	-	-
Vietnam	135.53	1.61%	51.65	0.86%	4.30	0.09%



<u>Country</u>	<u>Financial year ended</u> <u>March 31, 2023</u>		<u>Financial year ended</u> <u>March 31, 2024</u>		<u>Financial year ended</u> <u>March 31, 2025</u>	
	<u>Amount</u> <u>(in ₹</u> <u>lakhs)</u>	<u>Contribution</u> <u>(in %)</u>	<u>Amount</u> <u>(in ₹ lakhs)</u>	<u>Contribution</u> <u>(in %)</u>	<u>Amount</u> <u>(in ₹ lakhs)</u>	<u>Contribution</u> <u>(in %)</u>
<u>Egypt</u>	<u>99.52</u>	<u>1.18%</u>	<u>72.20</u>	<u>1.20%</u>	<u>-</u>	<u>-</u>
<u>Singapore</u>	<u>48.35</u>	<u>0.57%</u>	<u>88.26</u>	<u>1.47%</u>	<u>21.91</u>	<u>0.48%</u>
<u>Thailand</u>	<u>64.53</u>	<u>0.77%</u>	<u>17.47</u>	<u>0.29%</u>	<u>-</u>	<u>-</u>
<u>Indonesia</u>	<u>73.83</u>	<u>0.88%</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Uzbekistan</u>	<u>34.16</u>	<u>0.41%</u>	<u>11.41</u>	<u>0.19%</u>	<u>-</u>	<u>-</u>
<u>Canada</u>	<u>-</u>	<u>-</u>	<u>15.72</u>	<u>0.26%</u>	<u>19.05</u>	<u>0.42%</u>
<u>Turkey</u>	<u>-</u>	<u>-</u>	<u>13.66</u>	<u>0.23%</u>	<u>-</u>	<u>-</u>
<u>Ukraine</u>	<u>-</u>	<u>-</u>	<u>1.02</u>	<u>0.02%</u>	<u>-</u>	<u>-</u>
<u>South Korea</u>	<u>-</u>	<u>-</u>	<u>0.54</u>	<u>0.01%</u>	<u>-</u>	<u>-</u>
<b><u>Total</u></b>	<b><u>724.23</u></b>	<b><u>8.60%</u></b>	<b><u>591.06</u></b>	<b><u>9.83%</u></b>	<b><u>372.68</u></b>	<b><u>8.15%</u></b>

While our export revenues remain fragmented across multiple jurisdictions, each of which has distinct regulatory, trade and compliance requirements. Factors such as adverse changes in trade policies, imposition of tariffs or non-tariff barriers, currency exchange fluctuations, political or economic instability, outbreak of hostilities or disruptions in shipping and logistics may materially and adversely affect our ability to maintain or grow exports to these countries.

**28. Our Company is significantly dependent on repeat customers, and any adverse change in their business operations or purchasing preferences may materially impact our revenues and profitability.**

Our Company is significantly dependent on repeat customers, and any adverse change in their business operations or purchasing preferences may materially impact our revenues and profitability. In Fiscals 2025, 2024 and 2023, our revenue from repeat customers contributed 90.88%, 73.44% and 72.05% of total revenue from operations, respectively. While this demonstrates the strength of our long-standing customer relationships and reflects consistent repeat business, it also highlights our dependence on such customers.

While such relationships demonstrate the strength of our long-standing customer relationships and reflects consistent repeat business, they also expose our Company to concentration risks. Any adverse developments affecting these customers, such as changes in their procurement strategies, financial distress, industry downturns, or shifts in demand, could result in reduced business volumes or termination of engagements. Further, our ability to maintain or grow revenue from these customers depends on continued service quality, competitive pricing, and alignment with their evolving needs.

Although we strive to diversify our customer base and expand into new geographies and industries, there can be no assurance that we will be able to reduce our dependency on repeat customers or mitigate the associated risks. Any significant loss of one or more of these customers could have a material adverse effect on our business, financial condition, results of operations, and prospects.

**29. We are significantly dependent on the State of Gujarat for procurement of raw materials, and any adverse development in this region could adversely affect our business and operations.**

In Fiscals 2025, 2024 and 2023, purchases from suppliers located in Gujarat accounted for 71.28%, 81.63% and 74.17%, respectively, of our total purchases. While the State of Gujarat is one of the major industrial hubs for the chemical industry in India and provides ready access to suppliers of our key raw materials, our concentration of procurement from this state exposes us to certain risks. Any adverse developments in the State of Gujarat, including natural disasters, labour unrest, transportation or supply chain disruptions, changes in local regulations, political disturbances, or other unforeseen events, could adversely affect the availability of raw materials or increase procurement costs. Further, any deterioration in our relationships with key suppliers in Gujarat could materially and adversely affect our ability to procure critical raw materials in a timely and cost-effective manner.

Although we also source raw materials from other states such as Maharashtra, Delhi, Tamil Nadu, Uttar Pradesh and others, and have imported certain materials, there can be no assurance that such measures will sufficiently mitigate the risks arising from our dependency on the State of Gujarat.

**36. Any delays in customer payments could result in an increase in working capital requirements and/or reduce our Company's profits, thereby affecting our operation and financial condition.**

We are exposed to the risk of delays in customer payments, which can significantly impact on our financial position and performance. Our financial health is closely tied to the creditworthiness of our customers, and any delays in payments may require additional working capital investments. While there have been no customer defaults in the past three fiscal years, other than the bad debts reported of ₹11.38 lakhs for Fiscal 2025 as disclosed in Annexure II.8 of Restated Financial Statements on page 258 of the Draft Red Herring Prospectus. Further, delays in payments have occurred in the ordinary course of business as per the ageing of trade receivables as disclosed in Annexure I.16 of Restated Financial Statements on page 255 of Draft Red Herring Prospectus.

If a customer defaults on payments for an order where we have invested substantial resources, or if an order is delayed, cancelled, or does not proceed to completion, it could materially and adversely affect our financial condition and operational results. For our Company, outstanding trade receivables were ₹2,527.69 Lakhs, ₹1,673.79 Lakhs, and ₹1,416.13 Lakhs for the FY 2024-25, 2023-24 and 2022-23, respectively and the trade receivable days were 116 days, 100 days and 107 days for the Fiscals 2025, Fiscal 2024 and Fiscal 2023, respectively. For further information, please see “Objects of the Issue” on page 227 of this Draft Red herring Prospectus.

There is no assurance that customers will consistently meet their payment obligations in a timely manner, or at all, particularly if they face financial difficulties, a decline in their business performance, or adverse changes in the global economic environment. Such circumstances could adversely affect our liquidity, results of operations, and overall financial condition.

**37. Any restrictions on import of raw material, including regulatory measures, supply chain disruptions or foreign exchange fluctuations, may adversely impact our business operations, cost structure and financial results.**

Our Company sources a substantial portion of its raw material requirements domestically. However, we imported certain raw materials in the last two financial years. As disclosed in the section “Our Business - Raw Material” on page 166 of the Red Herring Prospectus, imports accounted for ₹202.48 lakhs, representing 3.36% of our total raw material purchases of ₹6,034.28 lakhs in the financial year ended March 31, 2025, and ₹149.63 lakhs, representing 3.60% of our total raw material purchases of ₹4,158.21 lakhs in the financial year ended March 31, 2024. While our current dependence on imported raw materials is relatively limited, there can be no assurance that such dependence will not increase in the future, given the evolving requirements of our business and customer specifications.

Any restrictions imposed by the Government of India or by exporting countries on the import of raw materials, including the imposition of higher customs duties, anti-dumping duties, licensing requirements, quantitative restrictions, sanctions or other regulatory measures, may adversely impact our ability to procure these inputs in a timely and cost-effective manner. Further, our reliance on imported materials exposes us to risks associated with global supply chain disruptions, including delays in logistics, shipping constraints, or port restrictions, which could adversely affect our production schedules. In addition, geopolitical events and changes in trade policies, including the imposition of sanctions or restrictions on trade with particular countries, may restrict our access to imported raw materials.

Our imports are denominated in foreign currency. Since raw materials constitute a critical component of our overall cost structure, any significant restrictions, delays, or cost escalations relating to imported raw materials could adversely affect our operations, margins and financial results.

**38. Our Company is exposed to the risk of product liability claims and recalls arising from actual or perceived defects, contamination, or quality issues in its products. Such events may adversely impact operations, goodwill, customer confidence, and the marketability of our products.**

Our Company is exposed to the risk of product liability claims and recalls arising from the use of our products by customers in various applications. While there have been no product recalls or liability claims in the past, there can be no assurance that such events will not occur in the future.

Given that our products are used as inputs in industries such as textiles and home & personal care paints & coatings and dyes, any actual or perceived defect, contamination, or deviation in quality may lead to complaints, product returns or recalls by our customers. Such events may result in claims for compensation, damages, or other liabilities. Even if such claims are not successful, defending them may require significant management time and incur substantial costs. Further, any adverse publicity or negative perception associated with product recalls or liability claims could damage our goodwill, reduce customer confidence, and negatively affect the marketability of our products.

There can be no assurance that our existing internal quality systems and controls will be sufficient to prevent such occurrences. Consequently, exposure to product liability claims and recalls may materially and adversely impact our operations, financial condition, reputation, and prospects.

**39. *Our Company's business relies on long-standing relationships with a customer base across domestic and international markets. Any breach of confidentiality obligations may damage our reputation, damage customer trust, and adversely impact our revenues and operations.***

Our Company maintains long-standing relationships with a diversified customer base across industries such as textiles and home & personal care paints & coatings and dyes, as well as international markets including Bangladesh, Australia, Vietnam, Egypt, Singapore, Thailand, Indonesia, Uzbekistan Canada, Turkey, Ukraine and South Korea. Our top ten customers contributed 45.19%, 35.57% and 37.02% of our total revenue from operations in the financial year ended March 31, 2025, financial year ended March 31, 2024 and financial year ended March 31, 2023, respectively. The ability to sustain and grow these relationships is critical to our business performance.

In the ordinary course of business, we are entrusted with confidential information relating to our customers, including technical formulations, product specifications, pricing data and business strategies. Any unauthorized disclosure or misuse of such information, whether due to employee misconduct, inadequate controls, or breaches by third-party service providers, could lead to reputational damage, loss of goodwill, and potential litigation. Although such incidents have not occurred as of the date of this Draft Red Herring Prospectus, there can be no assurance that such events will not occur in the future. Given our reliance on recurring business from key customers, any erosion of trust resulting from a breach of confidentiality may result in reduced orders, discontinuation of contracts, or loss of long-term business relationships.

Even if allegations of confidentiality breaches are ultimately unsubstantiated, defending such claims may divert management attention, increase compliance costs, and adversely affect our operations. There can be no assurance that our internal safeguards and contractual protections will always be sufficient to prevent such risks. Any such event could materially and adversely affect our business, financial condition and results of operations.

**40. *Competitive pressures on direct and indirect customers may adversely affect business performance.***

Our sales are primarily made to distributors and reselling agents, who constitute our direct customers. These distributors and agent, in turn, supply to an end-use industry such as textiles, home & personal care, paints & coatings and dyes. As such, our business performance is dependent not only on the continued demand from our distributors and agent, but also on the demand conditions and competitive dynamics in the industries to which our products are ultimately supplied.

Competitive pressures faced by our distributors and agent, such as aggressive pricing by competing suppliers, margin compression or tightening of credit terms, may reduce their ability or willingness to procure our products. Similarly, competitive pressures faced by our indirect customers in the end-use industries we serve, including textiles, home & personal care, paints & coatings and dyes, may lead to reduced demand for our products or a shift in procurement preferences.

While we differentiate ourselves through customized formulations and sustainable solutions, and our diversified base across industries and geographies reduces reliance on any one customer segment, there can be no assurance that competitive pressures on our direct or indirect customers will not adversely impact our business. Any such development could materially and adversely affect our revenue from operations, profitability, financial condition and results of operations.

41. **Our Company is subject to various trade regulations, including import/export controls, tariffs, and sanctions. Non-compliance with these regulations could result in penalties, reputational damage, operational disruptions, and legal consequences, which may materially affect our business and financial condition.**

Our Company operations are subject to various trade laws and regulations, including import/export controls, customs, tariffs sanctions and other restrictions imposed in India and in international market where our products are sold. Any failure to comply with these trade restrictions, whether due to inadvertent oversight, misinterpretation of regulations, or deliberate actions, could have serious consequences for our business.

Non-compliance may result in the imposition of financial penalties or sanctions by regulatory authorities, which could adversely affect our financial position. Additionally, it could lead to reputational damage, resulting in a loss of trust and credibility among customers, suppliers, and investors. Operational disruptions may also occur, including delays or cessation of business activities and potential suspension of licenses or permits necessary for our operations.

Furthermore, non-compliance with trade restrictions could expose us to legal consequences, including lawsuits or other legal actions from affected parties. While we have established internal controls to monitor and adhere to applicable trade laws, there can be no assurance that such measures will prevent all instances of non-compliance. Any such non-compliance could, therefore, have a material adverse effect on our business, financial condition, and results of operations.

42. **While the specialty chemicals industry has high entry barriers, we face competition from established domestic and global players, which may lead to reduced orders, pricing pressures, or loss of customers. Despite efforts to differentiate through product diversification, certifications, and sustainability, there can be no assurance that we will always compete effectively, which could materially affect our revenues, margins, growth prospects, and financial condition.**

We operate in a competitive and fragmented industry where we face competition from both domestic and global players, including large integrated specialty chemical manufacturers as well as niche players operating in specific product categories. Competition in our industry is based on multiple factors, including product quality, innovation, certifications, pricing, customer relationships and the ability to provide sustainable and eco-friendly solutions. Many of our competitors may have greater financial resources, longer operating history, larger manufacturing capacities, wider product portfolios, stronger brand recognition, or a more established presence in international markets.

While the specialty chemicals industry exhibits high entry barriers, including stringent regulatory requirements, technical expertise, quality accreditations, certifications, and long-term customer relationships, existing competitors continue to pose a risk to our market share and growth. New entrants may face challenges in establishing credibility or accessing key customers; however, established domestic and global players with greater scale or brand recognition could intensify competition and impact our revenues, profitability, and growth prospects.

Our ability to sustain and grow our business depends significantly on maintaining long-term relationships with our customers and consistently meeting their evolving requirements. In the event our competitors are able to offer superior pricing, better terms, innovative products, or more attractive sustainability credentials, we may experience reduced orders, pricing pressures, or loss of customers. While we have sought to mitigate these risks through product diversification, investment in certifications, and focus on sustainability, there can be no assurance that we will always be successful in differentiating ourselves from our competitors. Any inability to compete effectively could materially and adversely affect our revenues, margins, business operations, growth prospects, financial condition and results of operations.

43. **Shift towards green chemistry and evolving industry trends may affect our competitive positioning and financial performance.**

The specialty performance chemical industry is witnessing rapid growth, driven by technological innovations, sustainability investments, and increasing adoption of green chemistry principles. The global market is estimated to reach USD 149 billion by the financial year ended March 31, 2029 from

USD 107 billion in the financial year ended March 31, 2024 and domestic market is estimated to reach ₹ 0.45 lakh crores by the financial year ended March 31, 2029 from USD 0.26 lakh crores in the financial year ended March 31, 2024 (Source: CareEdge Report). This acceleration is expected to be fuelled by rising exports, modernization of processing units, increased penetration of technical textiles, and a gradual transition toward specialty and green chemistry products that meet global sustainability standards. For details, please see “Industry Overview” starting on page 126 of the Red Herring Prospectus.

While the Company has strategically focused on sustainable and bio-based specialty performance chemicals, the pace of industry innovation and the competitive pressures arising from global and domestic entrants could challenge our market position. Any inability to effectively align our product offerings, processes, and capabilities with evolving green chemistry standards or emerging technologies may result in reduced market share, pricing pressures, increased R&D expenditures, or loss of customers. Consequently, these developments could materially and adversely affect our revenues, profitability, growth prospects, and financial condition.

50. ***We currently avail benefits under certain schemes, which are subject to the fulfilment of specified obligations and criteria. Any failure on our part to meet such obligations or fulfil the criteria may result in the withdrawal or denial of these benefits, which could materially and adversely affect our business operations, financial condition and results of operations.***

We avail benefits under incentives to industries scheme under District Industrial Center, Ahmedabad, Gujarat. We are eligible for 70% of the investment made i.e. of ₹739.65 lakhs by way of reimbursement of Net VAT/ Net SGST over a period of 10 years. The benefits under this scheme which include Net VAT/ Net SGST are subject to certain eligibility criteria enumerated in the provisions under the said scheme. Failure to fulfill such obligations or fulfil such criteria may result in a liability to repay the Government an amount equivalent to the benefits availed by us under the schemes, along with applicable interest. Any reduction, withdrawal, or our inability to comply with the conditions prescribed under these schemes may materially and adversely affect our business operations, financial condition and results of operations.

*[Remainder of the page has been intentionally left blank]*

## SECTION VI – PARTICULARS OF THE ISSUE

### OBJECT OF THE ISSUE

*The headings “1. Funding the long-term working capital requirements of the Company” on page 104, under the sub-section titled “Objects of the Issue” under the section titled “Particulars of the Issue” of the Draft Red Herring Prospectus shall stand updated as below:*

#### **Rationale for changes in net working capital requirements of the Company:**

Following is the detailed rationale for the factors contributing to increase in net working capital requirements for the past three fiscal years:

The net working capital requirements of the Company as a percentage of revenue have increased from 28.65% in Fiscal 2023 to 30.80% and 34.41% in Fiscal 2024 and Fiscal 2025, respectively. The increase during these fiscal years was primarily attributable to the growth in the scale of operations, the strategic transition from white-label sales to branded business, higher levels of raw material and finished goods inventory maintained to ensure uninterrupted production and an increase in trade receivables in line with higher revenue from operations.

Over the past three fiscal years, the Company has experienced an increase in revenue from operations from ₹4,818.84 lakhs in Fiscal 2023 to ₹6,114.64 lakhs and ₹8,417.27 lakhs in Fiscal 2024 and Fiscal 2025, respectively, which required higher levels of inventories and trade receivables to support the growing business volumes. As part of its strategic transition, the Company has shifted to selling of its own branded products, which required extended credit terms to customers and increased inventory levels, resulting in higher working capital requirement.

The Company has maintained higher inventory to ensure uninterrupted production and timely delivery across its product segments to meet the demand of the customers resulting from increase in revenue from operations. The raw material inventory increased from ₹1,183.15 lakhs in Fiscal 2023 to ₹1,473.06 lakhs and ₹1,988.79 lakhs in Fiscal 2024 and Fiscal 2025, respectively. The increase in raw material inventory and finished goods inventory was consistent with the increased production requirements of the Company driven by the sales growth of 26.89% in Fiscal 2024 and 37.66% in Fiscal 2025.

The finished goods inventory increased from ₹229.91 lakhs in Fiscal 2023 to ₹264.20 lakhs and ₹297.97 lakhs in Fiscal 2024 and Fiscal 2025, respectively. The increase in finished goods inventory in line with the sales growth of 26.89% in Fiscal 2024 and 37.66% in Fiscal 2025, respectively which required to maintain larger quantities of finished goods to ensure timely fulfilment of customer orders.

Further, with the increase in revenue from operations, trade receivables correspondingly increased from ₹1,416.13 lakhs in Fiscal 2023 to ₹1,673.79 lakhs and ₹2,527.69 lakhs in Fiscal 2024 and Fiscal 2025 respectively. The increased in revenue from operations for the credit sales led to increase in trade receivables.

#### **Justification for holding period levels:**

##### **Inventories**

We are a specialty performance chemical company engaged in the business of manufacturing specialty performance chemicals with a diverse portfolio of over 350 customized formulations across four primary product segments such as (i) Polymers, (ii) Surfactants, (iii) Silicones, and (iv) Esters & bio-based sustainable solutions. In order to efficiently operate our manufacturing process and fulfill delivery schedules, we need to maintain efficient inventory levels.

Average Raw material inventory days were 144 days, 138 days and 131 days, for Fiscal 2023, Fiscal 2024 and Fiscal 2025 respectively. The extended holding period is attributable to the maintenance of sufficient raw material inventory to ensure uninterrupted production. WIP inventory days were 2 days, 2 days and 1 day, for Fiscal 2023, Fiscal 2024 and Fiscal 2025, respectively. The WIP holding days remained stable across the years. Finished goods inventory days were 23 days, 20 days and 17 days, for Fiscal 2023, Fiscal 2024 and Fiscal 2025, respectively. Average inventory holding level of packing material & stores in fiscal 2023, 2024 and 2025 were 7, 6 and 4 days, respectively. The Company was holding a larger quantity of finished goods to ensure timely fulfilment of customer orders.

	<p>The Company is operating at a capacity utilization level of 41.82% as on March 31, 2025 and intends to increase its capacity utilization to improve operational efficiency and support anticipated growth in demand. Considering the existing and prospective growth opportunities, overall economic conditions and various internal and external factors involved in our business operations, the raw material holding level is expected to be at 110 days, work-in process holding level is expected at 3 days, finished goods holding level is expected to be at 20 days, and packing material &amp; stores holding level is expected to be at 5 days for fiscal 2026 and fiscal 2027.</p> <p>The holding period for raw material is estimated at 110 days for Fiscal 2026 and Fiscal 2027. The projected reduction reflects improved procurement planning and strategic sourcing arrangements that enable the Company to optimise inventory levels while maintaining production continuity.</p> <p>The holding period for finished goods is estimated at 20 days for Fiscal 2026 and Fiscal 2027. These levels are consistent with expected sales volumes, lead times to dispatch and logistics planning.</p> <p>The holding period for work-in-process inventory is estimated at 3 days each for Fiscal 2026 and 2027 which is higher than past levels of 1 to 2 days, due to the anticipated increase in production volumes. The holding period for packing material and stores is estimated at 5 days for Fiscal 2026 and 2027 which are consistent with operational requirements and historical trends.</p>
<b>Trade Receivables</b>	<p>As a part of our growth strategy, we intend to expand our presence across end-user industries, diversify our customer base and geographical reach while continuing to place strong emphasis on working capital discipline and delivering quality products. We intend to do so by continuing to expand our product portfolio, optimizing utilisation of the installed capacity at our existing facilities, leveraging our marketing skills and relationships with existing customers and effective working capital management.</p> <p>The Company intends to focus on increasing sales to customers with optimizing the payment cycles, alongside continuous monitoring and management of outstanding receivables. These measures are expected to result in a more efficient receivables cycle and improved working capital efficiency.</p> <p><u>Trade receivables days were 107 days, 100 days and 116 days, for Fiscal 2023, Fiscal 2024 and Fiscal 2025, respectively. The relatively higher receivable cycle is attributable to increase in revenue from operations and strategic decision of the Company to extend longer credit period to support business growth and customer retention.</u></p> <p>Based on our expected increase in business activities, we believe average collection period of 100 days and 94 days for fiscal 2026 and fiscal 2027, respectively seems realistic and achievable, given the current business developments. <u>The estimated decrease in trade receivable days in the projected periods is primarily attributable to the ongoing initiatives of the Company to improve credit management and collection efficiency. These include a more disciplined receivables follow-up process, tighter credit evaluation for new customers and renegotiation of payment terms with existing customers.</u></p> <p><u>Further, the Company expects a more favourable customer mix and industry mix in the projected periods, with a higher proportion of repeat domestic customers who typically adhere to shorter payment cycles. These measures are expected to result in improved cash flows and reduced receivable holding periods.</u></p>
<b>Trade Payables</b>	<p><u>The primary raw materials used in our manufacturing process are sourced from crude derivatives, plant derivatives, silica derivatives and other commodity fine chemicals.</u></p> <p><u>Trade payable days were 150 days, 124 days and 99 days, for Fiscal 2023, Fiscal 2024 and Fiscal 2025, respectively. The Company has in the past, been constrained in availing early payment or bulk purchase discounts due to limited availability of working capital. The decrease in trade payables of the Company in the Fiscal 2024 and Fiscal 2025 is primarily attributable to improved access to working capital including enhancement of working capital facility to</u></p>

₹1,200.00 lakhs and ₹1,400.00 lakhs in Fiscal 2024 and 2025, respectively which enabled the Company to settle outstanding dues more efficiently. This facilitated negotiations with suppliers for better commercial terms, including early payment discounts and bulk purchase incentives. The reduction in payable days reflects the Company's strategic focus on strengthening supplier relationships and optimizing its procurement cycle.

The Company anticipates an expansion in business operations of the Company in the forthcoming financial years supported by the fresh infusion of funds from the proceeds of the Issue. To support this expansion in business operation, the Company expects an increase in procurement of raw materials.

Trade payables are projected at 116 days and 105 days for Fiscal 2026 and Fiscal 2027, respectively, compared to 99 days, 124 days and 150 days in in Fiscal 2025, Fiscal 2024 and Fiscal 2023, respectively. The increase in trade payable days in Fiscal 2026 is primarily due to improved negotiations with suppliers, aimed at optimizing working capital and preserving liquidity during a period of increased operational scale. With improved access to working capital going forward, the Company intends to strategically reduce trade payable days in Fiscal 2027 to 105 days by availing early payment discounts and bulk purchase incentives.

The Company has in the past, been constrained in availing early payment or bulk purchase discounts due to limited availability of working capital. The inability to make advance payments or settle dues within shortened timelines restricted ability of the Company to benefit from favourable supplier incentives. With improved access to working capital, the Company also expects to negotiate cash discount on account of early payment to creditors where suppliers offer incentives on bulk purchases or advance payment. This strategy is expected to reduce procurement cost and improve supplier relationships.

Hence, owing to above mentioned factor, the Company envisages a reduction in trades payable days. For fiscal 2026 and Fiscal 2027, we expect the creditors' payment period to be 116 days and 105 days, respectively.

*[Remainder of the page has been intentionally left blank]*



## SECTION V – ABOUT THE ISSUE COMPANY

### OUR BUSINESS

The headings “Key Financial Information” on page 167, “Our Strengths - Strong understanding of applied chemistries for diverse end-use industries”, “Our Strengths - Established long-standing relationships with customers across end-use industries”, “Our Strengths - Research and development (R&D) capabilities for development of performance chemistries” and “Our Strengths - Established sales and distribution network” on page 168, and 170 and “Our Strategies - Strengthening our presence across end-user application industries”, “Our Strategies - Commitment to continuous development of performance chemistries and sustainable solutions” and “Our Strategies - Continued focus on expansion of geographical presence” on page 171 and 172, “Product Portfolio & Application of Products” on page 174, “Raw Material” on page 179, “Sales, Marketing and Distribution” on page 182, “Human Resources” on page 184, “Quality Control and Assurance” on page 184 under the sub-section titled “Our Business” under the section titled “About the Issuer Company” of the Draft Red Herring Prospectus shall stand updated and a new heading “Business Process Overview” shall be incorporated under the sub-section titled “Our Business” under the section titled “About the Issuer Company” of the Draft Red Herring Prospectus, as below:

### KEY FINANCIAL INFORMATION

Following is a brief overview of our key financial information for the Fiscals 2025, 2024 and 2023:

(₹ in lakhs, except ratios)							
Sr No	Particulars <sup>(1)</sup>	Fiscal 2025	% of total income	Fiscal 2024	% of total income	Fiscal 2023	% of total income
A.	Revenue from operations	8,417.27	97.70%	6,114.63*	98.61%	4,818.84*	98.77%
B.	Other Income	198.09	2.30%	86.12	1.39%	60.19	1.23%
C.	<b>Total Income [A+B]</b>	<b>8,615.35</b>	<b>100.00%</b>	<b>6,200.75</b>	<b>100.00%</b>	<b>4,879.03</b>	<b>100.00%</b>
D.	EBITDA <sup>(2)</sup>	1,311.29	15.22%	599.01	9.66%	422.84	8.67%
E.	PAT	775.07	9.00%	180.13	2.91%	107.29	2.20%
F.	Networth <sup>(3)</sup>	1,975.27	-	1,200.21	-	805.14	-
G.	Total Debt <sup>(4)</sup>	3,562.44	-	3,332.35	-	2,623.70	-
H.	Debt to Equity Ratio <sup>(5)</sup>	1.80	-	2.78	-	3.26	-
I.	ROCE (%) <sup>(6)</sup>	41.67%	-	21.46%	-	17.46%	-
J.	ROE (%) <sup>(7)</sup>	48.82%	-	17.97%	-	18.07%	-

\*Revenue from operations, inter-alia, includes sales of services of ₹100.17 lakhs and ₹248.29 lakhs, for Fiscal 2024 and Fiscal 2023, respectively which relates to the branding and communication related services, rendered through a separate business unit called as Hybrid Communication. This business unit was engaged in creative conceptualization & execution, creating & editing video, digital films, campaign project, content development, photo and video shoot, brand activation, website content writing, website design & development, retainer and media management services and other related activities for a diverse set of clients across industries such as financial services, insurance, fashion and lifestyle, consumer goods, cosmetics, technology, healthcare, media and entertainment. As these services were not aligned with the strength of the Company in performance chemicals, accordingly, the business unit has been discontinued.

#### Notes:

- As per the Restated Financial Statements
- EBITDA has been calculated as a sum of profit before tax, finance costs and depreciation and amortization less other income
- Networth in case of Company is calculated as aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred tax assets, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
- Total debt is calculated as long-term borrowings plus short-term borrowings (including current maturities of long-term borrowings).
- Debt to Equity Ratio is calculated as Total Debt divided by Networth as per Restated Financial Statements.
- Return on Capital Employed is calculated as earnings before interest and tax divided by average capital employed. Average capital employed is calculated by dividing closing capital employed of the current fiscal year and closing capital employed of the previous fiscal year by 2. Capital employed is calculated as total assets less total current liabilities. Capital employed of FY 2022 is taken from restated consolidated financial statements of FY 2022.
- Return on Equity is calculated as restated profit after tax carried to balance sheet for the year divided by average net worth, where average net worth is calculated by dividing sum of closing net worth of the current fiscal year and closing net worth of the previous fiscal year by 2. Net worth of FY 2022 is taken from restated consolidated financial statements.

## OUR STRENGTHS

### *Strong understanding of applied chemistries for diverse end-use industries*

With over four decades of operational experience and technically qualified team, we have developed strong application and process knowledge across a wide range of industries such as textiles and garment washing, home and personal care, industrial and institutional cleaning, construction chemicals, paint and coatings, water treatment, paper and pulp, rubber, and dyes and pigments. Our understanding of customer-specific product requirements, combined with our formulation capabilities, enables us to deliver specialty performance chemicals that meet functional, regulatory and quality standards across diverse industrial applications. Our product portfolio includes more than 350 customized formulations, classified under four primary product segments such as polymers, surfactants, silicones, esters and bio-based sustainable solutions which are used to meet industry-specific requirements. e.g., in the textile and garment washing industry, our product range includes formulations used across the entire textile lifecycle such as pre-treatment chemicals, dyeing auxiliaries, printing enhancers, functional finishes and coatings. In home and personal care industry, our product line comprises dispersant polymers, anti-foams, specialty surfactants, silicone emulsions and rheological modifiers developed to meet the efficacy and safety requirements of consumer-centric formulations. In the water treatment industry, we offer anti-scalant formulations based on high and low molecular weight polymers, along with dispersants, anti-foams, decolorants and flocculants. Similarly, in the institutional and industrial cleaning industry, we provide a portfolio of specialized blends for room care, laundry care, kitchen hygiene and personal hygiene solutions tailored for commercial and industrial use. The industries we serve, along with the corresponding revenue from the operations and contribution of our manufactured products to customers in these industries (expressed as a percentage of our total revenue from operations), are set forth in the table below:

<u>Industry</u>	<u>Fiscal 2025</u>		<u>Fiscal 2024</u>		<u>Fiscal 2023</u>	
	<u>Amount</u> <u>(₹ in lakhs)</u>	<u>Contribution</u> <u>(in %)</u>	<u>Amount</u> <u>(₹ in lakhs)</u>	<u>Contribution</u> <u>(in %)</u>	<u>Amount</u> <u>(₹ in lakhs)</u>	<u>Contribution</u> <u>(in %)</u>
<u>Textile</u>	<u>7,175.05</u>	<u>85.24%</u>	<u>5,457.93</u>	<u>90.75%</u>	<u>4,384.00</u>	<u>95.92%</u>
<u>HPCI</u>	<u>867.32</u>	<u>10.30%</u>	<u>310.23</u>	<u>5.16%</u>	<u>99.83</u>	<u>2.18%</u>
<u>Paint &amp; coatings</u>	<u>310.68</u>	<u>3.69%</u>	<u>231.33</u>	<u>3.85%</u>	<u>68.53</u>	<u>1.50%</u>
<u>Dyes</u>	<u>64.23</u>	<u>0.76%</u>	<u>14.96</u>	<u>0.25%</u>	<u>18.20</u>	<u>0.40%</u>
<b><u>Total</u></b>	<b><u>8,417.27</u></b>	<b><u>100.00%</u></b>	<b><u>6,014.45</u></b>	<b><u>100.00%</u></b>	<b><u>4,570.55</u></b>	<b><u>100.00%</u></b>

### *Established long-standing relationships with customers across end-use industries*

Our understanding of chemical behaviour across diverse industrial processes enabled us to establish and strengthen long-standing relationships with a wide range of customers. Our ability to support these customers with a combination of technical inputs, formulation guidance and consistency in product delivery has helped us to maintain long-term business relationships. This customer-centric approach has enabled us to not only secure recurring business from existing customers but also expand our customer base across domestic and international markets. Our sales are complemented by the distribution network of more than 50 distributors, which allows us to service small and mid-sized customers with customized product solutions and technical service support. In domestic market, we have catered 227, 254 and 188 customers during Fiscals 2025, 2024 and 2023, respectively. In the international market, we have catered to more than 16, 17 and 14 customers during Fiscal 2025, 2024 and 2023, respectively, who are based in countries such as Bangladesh, Australia, Egypt, Vietnam, Singapore, Thailand, Indonesia, Uzbekistan Canada, Turkey, Ukraine and South Korea.

Our ability to meet diverse customer requirements over the years enables us to secure additional business from existing customers and also attract new customers in the industry in which we operate. Following table set-forth the contribution of top one (1), top five (5) and top ten (10) customers in our revenue from operations in Fiscal 2025, Fiscal 2024 and Fiscal 2023:

Particulars	FY 2024-25		FY 2023-24		FY 2022-23	
	Amount (₹ in lakhs)	% of our revenue from operation	Amount (₹ in lakhs)	% of our revenue from operation	Amount (₹ in lakhs)	% of our revenue from operation
Revenue from top one (1) customer*	1,178.86	14.01%	484.50	7.92%	522.09	10.83%
Revenue from top five (5) customers*	2,923.58	34.73%	1,517.55	24.82%	1,193.77	24.77%
Revenue from top ten (10) customers*	3,804.10	45.19%	2,174.87	35.57%	1,784.09	37.02%

\* considers customers of our reselling agent viz., Neochem Specialties

The following table sets forth segment wise revenue bifurcation and contribution of the Company for the last three financial years:

Segment	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ in lakhs)	Contribution (in %)	Amount (₹ in lakhs)	Contribution (in %)	Amount (₹ in lakhs)	Contribution (in %)
Esters	1,148.98	13.65%	784.37	13.04%	383.02	8.38%
Polymers	3,644.46	43.30%	3,096.75	51.49%	2,569.14	56.21%
Silicones	1,019.97	12.12%	582.79	9.69%	369.00	8.07%
Surfactants	2,603.85	30.93%	1,550.55	25.78%	1,249.39	27.34%
<b>Total revenue from operations</b>	<b>8,417.27</b>	<b>100.00%</b>	<b>6,014.46</b>	<b>100.00%</b>	<b>4,570.55</b>	<b>100.00%</b>

We believe that the diversification of our customer base across multiple industries has allowed us to minimize the impact of industry-specific disruptions on our business. The industries we serve, along with the corresponding revenue from the operations and contribution of our manufactured products to customers in these industries (expressed as a percentage of our total revenue from operations), are set forth in the table below:

Industry	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ in lakhs)	Contribution (in %)	Amount (₹ in lakhs)	Contribution (in %)	Amount (₹ in lakhs)	Contribution (in %)
Textile	7,175.05	85.24%	5,457.93	90.75%	4,384.00	95.92%
HPCI	867.32	10.30%	310.23	5.16%	99.83	2.18%
Paint & coatings	310.68	3.69%	231.33	3.85%	68.53	1.50%
Dyes	64.23	0.76%	14.96	0.25%	18.20	0.40%
<b>Total</b>	<b>8,417.27</b>	<b>100.00%</b>	<b>6,014.45</b>	<b>100.00%</b>	<b>4,570.55</b>	<b>100.00%</b>

Our diversified customer base across multiple industries & geographies and long-term relationships with them reduces risk associated with market fluctuations and provides a stable revenue stream.

#### ***Research and development (R&D) capabilities for development of performance chemistries***

We have technical capabilities that enable the development of environmentally sustainable chemical solutions, tailored to evolving customer requirements. Our in-house R&D and product application development laboratory located at our manufacturing facility in Moraiya, Ahmedabad, is equipped with advanced testing and formulation infrastructure and operated by a team of qualified professionals including support staff.

Our technical initiatives focus on three core areas: (i) formulation development based on customer-specific application requirements, (ii) process optimization to reduce energy consumption and effluent generation and (iii) innovation and development of bio-based alternatives to conventional synthetic chemistries. As a result, we have developed our range of green essentials (Sustainable ATMOS series) which are bio-based formulations which

include plant-based/plant derived products. We have a range of plant based (Vegan) softeners that replace tallow-based variants. Further, we offer phosphate-free sequestering and chelating agents and clay based scouring agents for textile and industrial applications and other sustainable surfactants derived from corn-based liquid glucose which helps in reducing our carbon foot prints and improving the lifecycle performance of customer products.

Our commitment to sustainable product innovation is validated by certifications such as ZDHC Level 3, and Global Organic Textile Standard (GOTS 7.0) and ISO 14001 for environmental management. These accreditations demonstrate our ability as a supplier to meet international standards for environmental and chemical safety. Further, we are a zero-liquid discharge (ZLD) company which demonstrates our commitment to environmentally responsible operations and sustainable resource management. We produce the formulations which consumes water and there is no effluent that comes out from the manufacturing process except from cleaning and washing. Further, this cleaning and washing effluent is internally treated and reused for general factory usage.

### ***Established sales and distribution network***

Our ability to serve a broad and diverse customer base is supported by network of more than 50 pan India authorised distributors and our reselling agent viz., Neochem Specialties which is a sole proprietorship entity owned and controlled by Swapnil Rameshbhai Makati, our Promoter and Managing Director of the Company. In international market, we sell directly to customers located at Bangladesh, Australia, Egypt, Vietnam, Singapore, Thailand, Indonesia, Uzbekistan Canada, Turkey, Ukraine and South Korea. This sales and distribution network enables us to serve institutional customers as well as small and medium-sized enterprises. Our sales and distribution network are supported by a skilled in-house sales and marketing team of 15 employees that maintains regular engagement with distributors for customer inputs, assesses market demand and strategic positioning of our products vis-a-vis competitors. This team is technically proficient and works closely with customers to understand their specific product requirements, facilitate product customization and provide immediate assistance in addressing operational issues of the customers.

Our extensive sales and distribution network have allowed us to build and sustain long-standing relationships with a wide range of customers from large multinational corporations to regional industry participants. Our internal sales and product application development teams work closely with our distributor network to gather feedback, identify new opportunities and address technical queries. This integrated commercial structure enables us to deliver tailored solutions, strengthen customer engagement and enhance responsiveness in a dynamic business environment.

## **OUR STRATEGIES**

### ***Strengthening our presence across end-user application industries***

The Indian specialty chemicals market has demonstrated robust growth, expanding from ₹ 2.2 lakh crore in FY19 to an estimated ₹5 lakh crore in FY25, and is projected to reach ₹7.5 lakh crore by FY29, registering a CAGR of 10-12% over the next four years, (Source: CareEdge Report)

By 2024, the global textile chemical market reached USD 52.4 billion, reflecting a CAGR of approximately 10% from 2019 to 2024. Looking ahead, the market is projected to expand at a CAGR of 10–12%, reaching USD 87.4 billion by 2029. The domestic textile chemicals market is estimated to reach ₹0.30 lakh crores in FY25, indicating a CAGR of around 9% from FY19 to FY24. Going further, stronger growth is anticipated, with the market projected to reach Rs 0.50 lakh crores by FY29, reflecting a higher CAGR of 12–14%. (Source: CareEdge Report)

The global home and personal care chemicals market size expanded from USD 71.8 billion in 2019 to USD 99.2 billion in 2024, and then it is expected to grow further to reach USD 130.2 billion by 2029 at a CAGR of 6.35%. The Indian home and personal care chemicals industry has experienced consistent growth, with the market size increasing from ₹0.07 lakh crores in FY19 to ₹0.13 lakh crores in FY24 and projected to reach ₹0.22 lakh crores by FY29 at a CAGR of 10-12% over the same period. (Source: CareEdge Report)

As part of our long-term growth strategy, we are focused on diversifying our product applications across multiple high-potential end-user industries to mitigate the risks associated with concentration in any single segment. As on March 31, 2025, ~ 85.92% of our revenue is derived from customers in the textile and garment industry. While this has provided a stable revenue base, we intend to strengthen our presence in other industries such as personal care, home care, institutional and industrial cleaning, water treatment, paint & coatings and construction

chemicals. These industries are expected to experience growth due to rising awareness of hygiene, urbanization, continued infrastructure development and increased consumption of processed and packaged goods.

We aim to strategically reduce our dependence on the textile industry by developing and scaling product lines across new application areas. This shift will be supported by our flexible manufacturing setup, dedicated business development teams and expanding distribution & marketing partnerships. By building a diversified product portfolio across multiple industries, we intend to strengthen business resilience, improve growth predictability, and enhance our position as a comprehensive specialty performance chemical solutions provider.

The following table sets forth industry wise revenue bifurcation and contribution of the Company for the last three financial years:

<u>Industry</u>	<u>Fiscal 2025</u>		<u>Fiscal 2024</u>		<u>Fiscal 2023</u>	
	<u>Amount</u> <u>(₹ in lakhs)</u>	<u>Contribution</u> <u>(in %)</u>	<u>Amount</u> <u>(₹ in lakhs)</u>	<u>Contribution</u> <u>(in %)</u>	<u>Amount</u> <u>(₹ in lakhs)</u>	<u>Contribution</u> <u>(in %)</u>
<u>Textile</u>	<u>7,175.05</u>	<u>85.24%</u>	<u>5,457.93</u>	<u>90.75%</u>	<u>4,384.00</u>	<u>95.92%</u>
<u>HPCI</u>	<u>867.32</u>	<u>10.30%</u>	<u>310.23</u>	<u>5.16%</u>	<u>99.83</u>	<u>2.18%</u>
<u>Paint &amp; coatings</u>	<u>310.68</u>	<u>3.69%</u>	<u>231.33</u>	<u>3.85%</u>	<u>68.53</u>	<u>1.50%</u>
<u>Dyes</u>	<u>64.23</u>	<u>0.76%</u>	<u>14.96</u>	<u>0.25%</u>	<u>18.20</u>	<u>0.40%</u>
<b><u>Total</u></b>	<b><u>8,417.27</u></b>	<b><u>100.00%</u></b>	<b><u>6,014.45</u></b>	<b><u>100.00%</u></b>	<b><u>4,570.55</u></b>	<b><u>100.00%</u></b>

#### ***Commitment to continuous development of performance chemistries and sustainable solutions***

As global demand shifts toward greener and circular production models, India's bioeconomy holds strategic significance positioning the country to be both a supplier of sustainable bio-based products and a hub for biotech innovation tailored to emerging market needs. Environmental regulations (both global and domestic, such as norms from the pollution control boards, REACH, and ZDHC initiatives) are pushing manufacturers toward eco-friendly, low-VOC, and biodegradable chemicals. This shift is driving product innovation and premiumization in the domestic market, creating new value pools for specialty chemical manufacturers. *(Source: CareEdge Report)*

Innovation is a driver of our growth strategy, with a dedicated focus towards the development of differentiated, high-performance and sustainable chemical solutions. Our dedicated in-house R&D and product application development team, comprising qualified professionals including support staff, works closely with customers to develop customized formulations that address specific application requirements while simultaneously enhancing environmental and operational efficiency. We are engaged in advancing bio-based alternatives to conventional synthetic chemicals, with the objective of reducing environmental impact and improving product lifecycle performance. Several of our bio-based chemical formulations include plant-based softeners, phosphorus-free chelating agents and glucose-derived surfactants, which are aimed at reducing the carbon footprint and improving the lifecycle performance of customer products.

Our commitment to sustainability is supported by our operational practices and industry certifications. As a zero-liquid discharge (ZLD) facility, we ensure that our manufacturing processes do not discharge harmful liquid waste into the environment. Further, we hold certifications such as ZDHC Level 3, Global Organic Textile Standard (GOTS 7.0) and ISO 14001 which demonstrates our adherence to environmental compliance standards. These certifications also demonstrate our ability to meet the environmental and chemical safety expectations of stakeholders across diverse industries.

#### ***Continued focus on expansion of geographical presence***

Global performance chemical industry's market is projected to expand at a CAGR of ~7%, reaching USD 149 billion by 2029. This growth is supported by advancements in specialty formulations, rising industrial applications, and stricter regulatory requirements that emphasize high-performance and sustainable solutions. In 2024, Asia-Pacific led the global chemical market, accounting for 62% to reaching 64% by 2029, driven by rapid industrialization and high demand across various sectors. *(Source: CareEdge Report)*

We have expanded our geographical presence by supplying products to our customers across multiple international markets. During last three Fiscal Year, we have exported our products to twelve countries, with

consistent and active relationships, including Bangladesh, Australia, Vietnam, Egypt, Singapore, Thailand, Indonesia, Uzbekistan, Canada, Turkey, Ukraine and South Korea. This expanding presence in Asia, Oceania, selected African and Middle Eastern countries, Southeast Asia, and Central Asia demonstrates our ability to adapt product offerings to meet regional regulatory, performance and application requirements. These geographies are characterized by growing demand for customized specialty chemical inputs particularly in sectors such as textile auxiliaries, personal care ingredients, and institutional hygiene solutions.

Following table set forth a state-wise bifurcation of revenue sourcing between domestic and exports for the in absolute and percentage terms for Fiscal 2025, Fiscal 2024 and Fiscal 2023:

<u>State</u>	<u>Fiscal 2025</u>		<u>Fiscal 2024</u>		<u>Fiscal 2023</u>	
	<u>Amount</u> <u>(₹ in</u> <u>lakhs)</u>	<u>% of total</u> <u>revenue from</u> <u>operations</u>	<u>Amount</u> <u>(₹ in</u> <u>lakhs)</u>	<u>% of total</u> <u>revenue from</u> <u>operations</u>	<u>Amount</u> <u>(₹ in</u> <u>lakhs)</u>	<u>% of total</u> <u>revenue from</u> <u>operations</u>
<u>Gujarat</u>	<u>3,941.61</u>	<u>46.83%</u>	<u>2,097.78</u>	<u>34.88%</u>	<u>1,471.62</u>	<u>32.20%</u>
<u>Maharashtra</u>	<u>1,284.34</u>	<u>15.26%</u>	<u>1,133.85</u>	<u>18.85%</u>	<u>1,091.07</u>	<u>23.87%</u>
<u>Tamilnadu</u>	<u>688.53</u>	<u>8.18%</u>	<u>606.01</u>	<u>10.08%</u>	<u>572.62</u>	<u>12.53%</u>
<u>Punjab</u>	<u>522.55</u>	<u>6.21%</u>	<u>492.93</u>	<u>8.20%</u>	<u>383.90</u>	<u>8.40%</u>
<u>Rajasthan</u>	<u>384.58</u>	<u>4.57%</u>	<u>327.59</u>	<u>5.45%</u>	<u>183.47</u>	<u>4.01%</u>
<u>Delhi</u>	<u>288.35</u>	<u>3.43%</u>	<u>282.25</u>	<u>4.69%</u>	<u>244.61</u>	<u>5.35%</u>
<u>Haryana</u>	<u>269.41</u>	<u>3.20%</u>	<u>221.28</u>	<u>3.68%</u>	<u>95.57</u>	<u>2.09%</u>
<u>Goa</u>	<u>0.48</u>	<u>0.01%</u>	<u>1.12</u>	<u>0.02%</u>	<u>1.38</u>	<u>0.03%</u>
<u>Andhra Pradesh</u>	<u>0.07</u>	<u>0.00%</u>	<u>0.07</u>	<u>0.00%</u>	<u>-</u>	<u>0.00%</u>
<u>Chhattisgarh</u>	<u>0.92</u>	<u>0.01%</u>	<u>0.30</u>	<u>0.00%</u>	<u>-</u>	<u>0.00%</u>
<u>Jammu &amp; Kashmir</u>	<u>-</u>	<u>0.00%</u>	<u>3.37</u>	<u>0.06%</u>	<u>-</u>	<u>0.00%</u>
<u>Karnataka</u>	<u>22.16</u>	<u>0.26%</u>	<u>21.70</u>	<u>0.36%</u>	<u>22.21</u>	<u>0.49%</u>
<u>Kerala</u>	<u>-</u>	<u>0.00%</u>	<u>-</u>	<u>0.00%</u>	<u>0.07</u>	<u>0.00%</u>
<u>Madhya Pradesh</u>	<u>135.67</u>	<u>1.61%</u>	<u>121.70</u>	<u>2.02%</u>	<u>56.79</u>	<u>1.24%</u>
<u>Odisha</u>	<u>-</u>	<u>0.00%</u>	<u>-</u>	<u>0.00%</u>	<u>1.78</u>	<u>0.04%</u>
<u>Telangana</u>	<u>0.02</u>	<u>0.00%</u>	<u>7.73</u>	<u>0.13%</u>	<u>0.82</u>	<u>0.02%</u>
<u>Uttar Pradesh</u>	<u>101.02</u>	<u>1.20%</u>	<u>33.30</u>	<u>0.55%</u>	<u>43.05</u>	<u>0.94%</u>
<u>West Bengal</u>	<u>53.32</u>	<u>0.63%</u>	<u>72.42</u>	<u>1.20%</u>	<u>28.93</u>	<u>0.63%</u>
<b><u>Total Domestic Revenue (A)</u></b>	<b><u>7,693.04</u></b>	<b><u>91.40%</u></b>	<b><u>5,423.40</u></b>	<b><u>90.17%</u></b>	<b><u>4,197.87</u></b>	<b><u>91.85%</u></b>
<b><u>Export Revenue (B)</u></b>	<b><u>724.23</u></b>	<b><u>8.60%</u></b>	<b><u>591.06</u></b>	<b><u>9.83%</u></b>	<b><u>372.68</u></b>	<b><u>8.15%</u></b>
<b><u>Total Revenue from Operations (A+B)</u></b>	<b><u>8,417.27</u></b>	<b><u>100.00%</u></b>	<b><u>6,014.46</u></b>	<b><u>100.00%</u></b>	<b><u>4,570.55</u></b>	<b><u>100.00%</u></b>

As part of our growth strategy, we intend to strengthen engagement with our existing international customers and expand into new high-potential regions, including parts of Oceania, Southeast East Asia, Central Asia, African and Middle Eastern countries and Far Western countries. Currently, in the international market, we sell our products directly to customers and we intend to develop a distribution network in the international market to expand our global reach. These regions present scalable demand for performance-driven and sustainable chemical formulations, aligning with our technical and product strengths. We plan to increase our participation in international industry exhibitions and trade fairs to enhance brand visibility, build distributor networks and support customer acquisition.

To support this expansion, we have strengthened our international business team and are exploring localized partnerships in specific geographies. The continued expansion of the geographical presence is expected to enable diversification of revenue streams, access to higher-margin markets and the establishment of a resilient foundation

for long-term growth. Following is the country-wise revenue from operations and contribution for the Fiscals 2025, 2024 and 2023:

Country	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ in lakhs)	Contribution (in %)	Amount (₹ in lakhs)	Contribution (in %)	Amount (₹ in lakhs)	Contribution (in %)
India	7,692.88	91.39%	5,423.40	90.17%	4,197.87	91.85%
Australia	121.97	1.45%	83.60	1.39%	-	-
Bangladesh	146.32	1.74%	235.55	3.92%	327.42	7.16%
Egypt	99.52	1.18%	72.20	1.20%	-	-
Indonesia	73.83	0.88%	-	-	-	-
Singapore	48.35	0.57%	88.26	1.47%	21.91	0.48%
Thailand	64.53	0.77%	17.47	0.29%	-	-
Uzbekistan	34.33	0.41%	11.41	0.19%	-	-
Vietnam	135.53	1.61%	51.65	0.86%	4.30	0.09%
Canada	-	-	15.72	0.26%	19.05	0.42%
South Korea	-	-	0.54	0.01%	-	-
Turkey	-	-	13.66	0.23%	-	-
Ukraine	-	-	1.02	0.02%	-	-
<b>TOTAL</b>	<b>8,417.27</b>	<b>100.00%</b>	<b>6,014.46</b>	<b>100.00%</b>	<b>4,570.55</b>	<b>100.00%</b>

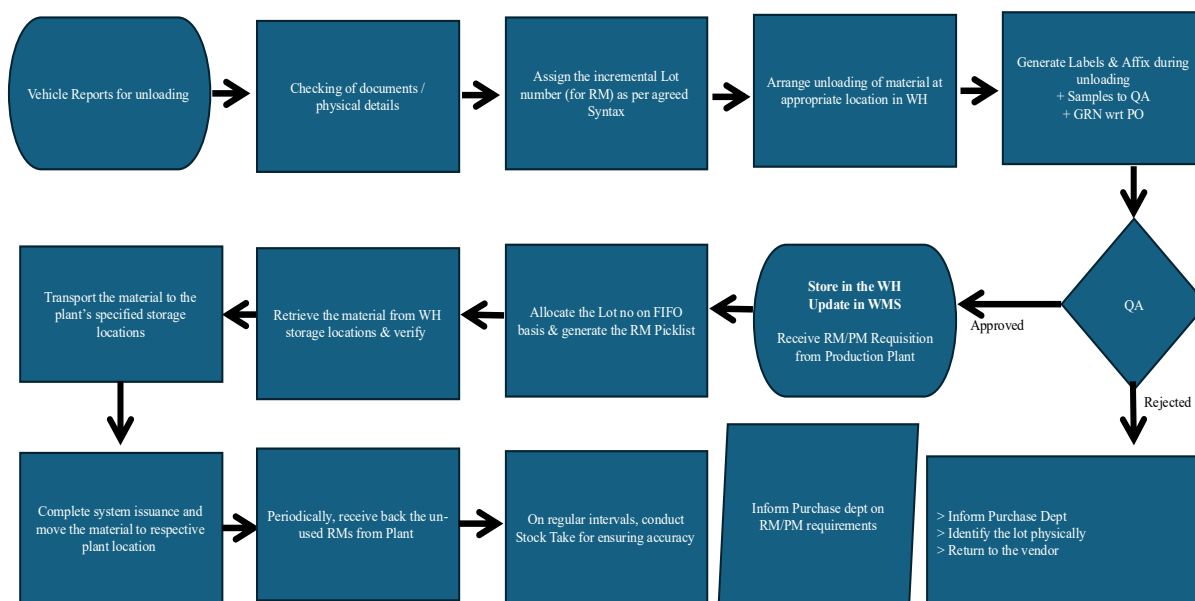
## PRODUCT PORTFOLIO & APPLICATION OF PRODUCTS

We offer a comprehensive range of over 350 products across four primary segments, i.e., Polymers, Surfactants, Silicones and Esters & Bio-based Sustainable Solutions. Our products are designed to address the evolving requirements of a diverse customer base across multiple industries & applications and are marketed under a portfolio of over 35 proprietary brands. While the products of the Company are capable of application across a wider set of industries, the current revenue contribution is derived primarily from Textiles, HPCI, Paints & Coatings, and Dyes.

## BUSINESS PROCESS OVERVIEW

The Company has implemented a structured and quality-centric process for material handling, production planning, and inventory management. The cycle begins with raw material receipt, followed by document verification, lot number assignment, and unloading. Quality Assurance (“QA”) checks are conducted prior to storage in the Warehouse Management System (“WMS”). Based on production requisitions, materials are issued to the production floor on a FIFO basis. Post-usage, unused materials are returned and reconciled through periodic stock audits. This process ensures traceability, compliance, and operational efficiency throughout the supply chain.

The following flowchart outlines the end-to-end raw material handling process followed by the Company, from receipt at the warehouse to issuance for production, including quality checks, inventory controls, and system updates:



## RAW MATERIAL

The primary raw materials used in our manufacturing process are monomers, fatty acids, vegetable oils (such as soya and palm oil), soda ash, caustic soda, salts, acetic acid, silicone oils and waxes. These materials are sourced both domestically and internationally. Solvents, being crude-derived, are handled with strict safety protocols. Fatty acids and vegetable oils are used primarily in softener formulations and are procured based on availability and cost-effectiveness. All raw materials are quality-checked in-house and stored under conditions tailored to their nature.

The following table set forth contribution of top one (1), top five (5) and top ten (10) suppliers in our total raw material purchase for Fiscal 2025, Fiscal 2024 and Fiscal 2023:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ in lakhs)	Contribution (in %)	Amount (₹ in lakhs)	Contribution (in %)	Amount (₹ in lakhs)	Contribution (in %)
Purchase from top one (1) supplier	1,013.16	16.79%	1,077.17	25.90%	403.46	12.38%
Purchase from top five (5) suppliers	2,119.32	35.12%	1,911.25	45.96%	1,113.15	34.16%
Purchase from top ten (10) suppliers	2,908.95	48.21%	2,370.47	57.01%	1,649.88	50.63%

The following table set forth contribution of state-wise domestic purchases and import purchases in our total purchases for Fiscal 2025, Fiscal 2024 and Fiscal 2023:

Particulars	Financial Year ended March 31, 2025		Financial Year ended March 31, 2024		Financial Year ended March 31, 2023	
	Amount (₹ in lakhs)	% of total purchase	Amount (₹ in lakhs)	% of total purchase	Amount (₹ in lakhs)	% of total purchase
Gujarat	4,301.46	71.28%	3,394.16	81.63%	2,417.34	74.17%



Particulars	Financial Year ended March 31, 2025		Financial Year ended March 31, 2024		Financial Year ended March 31, 2023	
	Amount (₹ in lakhs)	% of total purchase	Amount (₹ in lakhs)	% of total purchase	Amount (₹ in lakhs)	% of total purchase
Maharashtra	717.43	11.89%	501.09	12.05%	738.41	22.66%
Dadra & Nagar Haveli	86.49	1.43%	12.93	0.31%	3.19	0.10%
Delhi	224.10	3.71%	-	-	-	-
Goa	1.84	0.03%	2.36	0.06%	2.18	0.07%
Haryana	15.04	0.25%	0.59	0.01%	74.28	2.28%
Karnataka	-	-	1.17	0.03%	0.53	0.02%
Madhya Pradesh	-	-	2.75	0.07%	-	-
Punjab	8.53	0.14%	17.23	0.41%	0.45	0.01%
Rajasthan	6.79	0.11%	0.52	0.01%	0.87	0.03%
Tamil Nadu	68.43	1.13%	40.20	0.97%	7.36	0.23%
Telangana	-	-	-	-	0.17	0.01%
Uttar Pradesh	259.80	4.31%	0.16	0.00%	-	-
Uttarakhand	136.50	2.26%	-	-	-	-
West Bengal	5.39	0.09%	35.44	0.85%	14.20	0.44%
<b>Total Domestic Purchase (A)</b>	<b>5,831.80</b>	<b>96.64%</b>	<b>4,008.59</b>	<b>96.40%</b>	<b>3,258.98</b>	<b>100.00%</b>
<b>Import Purchase (B)</b>	<b>202.48</b>	<b>3.36%</b>	<b>149.63</b>	<b>3.60%</b>	<b>-</b>	<b>-</b>
<b>Total Purchase (A+B)</b>	<b>6,034.28</b>	<b>100.00%</b>	<b>4,158.21</b>	<b>100.00%</b>	<b>3,258.98</b>	<b>100.00%</b>

## SALES, MARKETING AND DISTRIBUTION:

Our sales and marketing strategy is supported by a distribution network comprising over 50 pan-India distributors and reselling agent enabling us to effectively serve both institutional clients and SMEs. The Company operates exclusively under a Business-to-Business (B2B) model and does not have any Business-to-Consumer (B2C) sales. Internationally, we directly export to twelve countries, including key markets such as Bangladesh, Australia, Egypt, Vietnam, Singapore, Thailand, Indonesia, Uzbekistan Canada, Turkey, Ukraine and South Korea. A technically proficient in-house sales team works closely with customers and distributors to assess market demand, support product customization, and address operational requirements. Further, we participate in various exhibitions related to the specialty performance chemical industry.

Our Company has adopted a structured approach to expand its international market through targeted sales and marketing initiatives. These include (i) overseas travel and direct business development efforts by the sales team of the Company, (ii) participation in prominent international trade shows and exhibitions to enhance visibility and network with prospective clients (iii) engagement with international formulators, traders, distributors, and agents as well as direct consumers to build sustainable relationships and (iv) leveraging the expertise and market reach of international commission agents to facilitate entry and growth in key geographies.

For international markets, the Company employs a combination of direct exports and through distributors or agents. The Company selects its international distributors based on their financial and operational capabilities, knowledge of chemical safety and regulatory compliance, industry network, and proven track record in handling specialty or hazardous chemicals.

The direct sales mechanism of the Company is managed by its in-house sales team, which caters to customers both in India and internationally. This channel is used where customers require customized solutions, technical support or operate in regions without a distributor. The team handles end-to-end sales operations including lead generation, technical discussions, commercial negotiations and post-sales support.

## HUMAN RESOURCES

We have employed a total of 70 personnel, comprising 53 skilled and 17 unskilled workers. Our workforce is a prudent mix of experienced professionals and younger talent, enabling us to leverage both stability and innovation in our operations. We recognize that our success is directly linked to our ability to attract, train and retain high-

quality professionals. In recent years, we have initiated campus recruitment programs to engage with chemical engineering graduates, fostering a pipeline of skilled talent. We place significant emphasis on providing continuous training for our employees to ensure they possess the skills and knowledge necessary to maintain standards of quality and efficiency.

We are committed to fostering a positive and inclusive work environment for all our employees. We believe that the relationship between our management and employees is cordial, and we have not experienced any industrial disputes. Our attrition level has been commensurate with industry standards, reflecting our success in creating a supportive and engaging workplace. Our skilled and experienced workforce, combined with a strong management team, has been instrumental in the successful implementation of our growth plans.

As on June 30, 2025, our Company had 70 employees. Details of the employees of our Company are set forth below:

Department of Company	No. of employees
Production & Plant Operations	24
Business Development including Sales and marketing	14
KMP and SMP	9
Supply Chain	6
Administration	5
Accounts and Finance	3
QA/QC	3
R & D	3
Logistics	1
Maintenance	1
Purchase	1
<b>Total</b>	<b>70</b>

As of March 31, 2025, the Company had 72 employees covered under the Employees' Provident Fund ("EPF") scheme and 21 employees under the Employees' State Insurance Corporation ("ESIC") scheme. The details of employees covered under the EPF and ESIC schemes for the last three financial years are as follows:

Financial Year ended	No. of employees covered under EPF	EPF contribution Amount (₹ in lakhs)	No. of employees covered under ESIC	ESIC contribution Amount (₹ in lakhs)	Remarks
March 31, 2025	72	₹1.39 (EPF) ₹0.72 (EPS)	21	₹0.09	As per challan & ESIC history
March 31, 2024	89	₹1.64 (EPF) ₹0.84 (EPS)	56	₹0.14	As per challan & ESIC history
March 31, 2023	89	₹1.79 (EPF) ₹0.89 (EPS)	38	₹0.16	As per challan & ESIC history

## QUALITY CONTROL & ASSURANCE

We have a structured quality control and quality assurance framework designed to ensure that our products consistently meet defined technical and regulatory standards. At our manufacturing facility, a dedicated in-house QC/QA laboratory is equipped to conduct analytical and application-based testing across all stages of production. A team of trained professionals, comprising a senior manager, an executive, and an assistant, oversees the implementation of our quality protocols. Each incoming raw material is verified against the supplier's certificate of analysis (CoA), with critical quality parameters validated before use. In-process checks and batch-level validations are carried out on a sample basis, in accordance with the Standard Operating Procedure ("SOP") of the Company for quality assurance, to monitor compliance with predefined standards and to identify any deviations that require corrective measures. The Company has implemented a quality assurance framework, which includes the following key elements:

1. Sample-based testing

Samples of raw materials and finished goods are collected by authorized personnel and tested against predefined parameters. The results are recorded in designated registers and compared with historical data or vendor certificates.

2. Certificate of analysis (CoA)

Upon completion of testing, a CoA is issued by the quality assurance manager, indicating approval or rejection. Only approved batches are cleared for dispatch or further processing.

3. Autonomous quality control function

The department operates independently, free from internal or external commercial influence. All decisions regarding testing and release are made solely by the quality assurance manager.

4. Corrective and preventive measures

In case of non-conformity, root-cause analysis is conducted and appropriate corrective actions are implemented. Preventive actions are also taken to avoid recurrence.

5. Document control and confidentiality

All quality-related documents are securely maintained and access is restricted. Electronic records are password-protected and shared in read-only format to prevent tampering.

6. Training and integrity

Personnel involved in quality operations are trained regularly and evaluated for competency. The department ensures ethical conduct and impartiality in all quality-related decisions.

7. Management oversight

Quality systems are subject to periodic review by senior management to ensure continuous improvement and alignment with industry standards.

Finished goods are tested for a range of chemical and physical characteristics to ensure product integrity. We comply with certifications such as ISO 9001:2015, ISO 14001:2015, ISO:45001, GOTS 7.0, and ZDHC Level 3, reflecting our commitment to operational excellence.

*[Remainder of the page has been intentionally left blank]*

## OUR MANAGEMENT

*In the section titled “Our Management” beginning on page 205 of the Draft Red Herring Prospectus, the sub-sections called “Brief profiles of our Directors” and “Key Managerial Personnel” have been suitably updated as under:*

### **Brief profiles of our Directors**

**Dinesh Chopra** is the Chairman and the Non-Executive Director of our Company. He holds a bachelor’s degree in Bachelor of Science (Honours Course) from the University of Delhi in the year 1982. In 1986, he earned a Bachelor of Science in Technology from UDCT - University of Bombay. Further, he completed a diploma in Marketing and Sales Management from Bharatiya Vidya Bhavan in 1987. Additionally, he received a Post-Graduate Diploma in Business Management from the Institute of Management Studies, New Delhi, in 1988. He holds around 25 years of experience in the field of management and leadership. He has held several senior leadership positions across reputed organizations. He held various leadership roles, including positions such as Sales and Business Manager, Marketing Manager, and Product Manager, at organizations including BASF India Limited and Honeywell India International. He has been associated with our Company since 2021. His extensive leadership experience across diverse sectors significantly enhances the strategic capabilities of our Company.

**Rajasekaran Guha** is the Non-Executive Director of our Company. He holds a bachelor’s degree in commerce from the University of Madras. He is a Member of the Institute of Chartered Accountants of India (FCA), Institute of Cost Accountants of India (ICMAI) (*previously known as Institute of Cost and Works Accountants of India (ICWAI)*) and the Institute of Company Secretaries of India (FCS). He brings with him experience of over 30 years in corporate affairs and finance. He is currently a Partner at CVRK & Associates, Chartered Accountants. Prior to this, he served as General Manager, Corporate Affairs and Company Secretary at Akzo Nobel India Limited. His extensive leadership experience across diverse sectors significantly enhances the governance capabilities of our Company.

**Shail Jayesh Shah** is the Non-Executive Independent Director of our Company. He holds a bachelor’s degree in commerce from H.L Institute of Commerce, Gujarat University. He is qualified Chartered Accountant and an Associate Member of the Institute of Chartered Accountants of India (“ICAI”) since August 11, 2011. He has also passed the post qualification course in Information Systems Audit in the year 2017. He has around 14 years of experience in the field of finance and accounts. He holds the position of Whole-Time Director and Chief Financial Officer at GSP Crop Science Limited, where he was involved in handling accounting, finance & treasury, taxation, legal, secretarial and information technology. He has been associated with our Company as an Independent Director since 2025. In this capacity, he plays a vital role in ensuring corporate governance, providing independent judgment on Board deliberations, and contributing to the integrity of financial and risk management practices.

### **Key Managerial Personnel**

**Shradha Sarthak Agarwal**, aged 31 years, is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since 2025. She holds a bachelor’s degree in commerce in Computer Applications, which she completed in the year 2015. She qualified as a Company Secretary in the year 2019. She was a founding partner at Sheikh Bhalotia Mishra and Associates from the year 2020 to 2025, where she was actively involved in corporate legal advisory and secretarial practice. She has about 5 years of experience in the field of corporate secretarial practice and compliance management. She is responsible for ensuring compliance with statutory and regulatory requirements and for overseeing the implementation of corporate governance practices within the Company. Since she has been appointed in Fiscal 2026, she did not receive any remuneration in Fiscal 2025.

*[Remainder of the page is intentionally left blank]*

## SECTION VI – FINANCIAL INFORMATION

### MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*The heading “Rationale for increase in PAT of the Company in FY24 as compared to FY23:” shall stand updated and a new heading “Rationale for increase in PAT of the Company in FY25 as compared to FY24:” shall be incorporated under the sub-section titled “Management Discussion and Analysis of Financial Position and Results of Operations” on page 266 of the Draft Red Herring Prospectus, as below:*

#### **Rationale for increase in PAT of the Company in FY25 as compared to FY24:**

The increase in the Profit After Tax (“PAT”) of the Company from ₹180.13 lakhs in the financial year ended March 31, 2024, to ₹775.07 lakhs in the financial year ended March 31, 2025, was primarily due to following reasons:

i. Increase in revenue from operations and other income:

The Company has reported an increase of 38.94% in revenue from operations and other income, from ₹6,200.75 lakhs in Fiscal 2024 to ₹8,615.36 lakhs in Fiscal 2025. This growth was primarily driven by an increase in capacity utilization from 34.97% to 41.82% during Fiscal 2025, reflecting higher sales growth and increase in other income from ₹86.12 lakhs in Fiscal 2024 to ₹198.09 lakhs in Fiscal 2025.

ii. Employee benefit expenses:

The employee benefit expenses have moderately increased from ₹789.12 lakhs in Fiscal 2024 to ₹803.66 Lakhs in Fiscal 2025, however, the percentage to total income decreased by 3.40% from 12.73% in Fiscal 2024 to 9.33% in Fiscal 2025.

iii. Other expenses:

The other expenses have decreased from ₹707.30 lakhs in Fiscal 2024 to ₹601.28 lakhs in Fiscal 2025, representing decrease by 4.43% from 11.41% to 6.98% of total income.

The decrease in other expenses was primarily due to following reasons:

a) Conveyance & travel charges:

The decrease in conveyance & travel charges from ₹182.63 lakhs in Fiscal 2024 to ₹134.11 lakhs in Fiscal 2025, representing decrease by 1.39% from 2.95% to 1.56% of total income.

b) Professional fees:

The decrease in professional fees from ₹125.62 lakhs in Fiscal 2024 to ₹113.60 Lakhs in Fiscal 2025, representing the decrease by 0.71% from 2.03% to 1.32% of total income.

c) Business promotion expenses:

The decrease in business promotion expenses from ₹133.70 lakhs in Fiscal 2024 to ₹82.71 lakhs in Fiscal 2025 representing decrease by 1.20% from 2.16% to 0.96% of total income.

d) Miscellaneous expenses:

The decrease in miscellaneous expenses from ₹47.04 lakhs in Fiscal 2024 to ₹23.89 lakhs in Fiscal 2025 representing decrease by 0.48% from 0.76% to 0.28% of total income.

The abovementioned expenses are in nature of fixed/semi-variable expenses and did not vary with the revenue or production level of the Company. These expenses are incurred based on requirements and their share as a percentage of total income reduced as the Company achieved sales growth.

***Rationale for increase in PAT of the Company in FY24 as compared to FY23:***

The moderate increase in the Profit After Tax (“PAT”) of the Company from ₹107.28 lakhs in the financial year ended March 31, 2023, to ₹180.13 lakhs in the financial year ended March 31, 2025, was primarily due to following reasons:

*i. Increase in revenue from operations and other income:*

The Company has reported an increase of 27.09% in revenue from operations and other income from ₹4,879.03 lakhs in Fiscal 2023, to ₹6,200.75 lakhs in Fiscal 2024, primarily on account of an increase in capacity utilization from 24.61% in Fiscal 2023 to 34.97% in Fiscal 2024 and increase in other income from ₹60.19 lakhs in Fiscal 2023 to ₹86.12 lakhs in Fiscal 2024.

*ii. Cost of materials consumed including change in inventory:*

The Cost of materials consumed including change in inventory have increased from ₹3,117.86 lakhs in Fiscal 2023 to ₹3,859.04 lakhs in Fiscal 2024, representing the decrease by 1.67% from 63.90% to 62.24% of total income.

*iii. Employees benefit expenses:*

The employee benefit expenses have increased from ₹652.66 lakhs in Fiscal 2023 to ₹789.12 Lakhs in Fiscal 2024, on account of additional hiring of employees during the Fiscal 2024. However, the percentage to total income decreased by 0.65% from 13.38% to 12.73%.

*iv. Other expenses:*

The other expenses have, however, increased from ₹457.50 lakhs to ₹707.29 lakhs, representing increase by 2.03% from 9.38% to 11.41% of total income, for the Fiscal 2023 and Fiscal 2024.

The increase in other expenses was primarily due to following reasons:

*a) Conveyance & travel charges:*

The increase in conveyance & travel charges from ₹98.71 lakhs in Fiscal 2023 to ₹182.63 lakhs in Fiscal 2024, representing the increase by 0.93% from 2.02% to 2.95% of total income on account of overseas business exhibition attended during Fiscal 2024.

*b) Professional fees:*

The increase in professional fees from ₹59.04 lakhs in Fiscal 2023 to ₹125.62 Lakhs in Fiscal 2024, was on account of services availed from the professional for product development & marketing as well as consultancy services availed for applying SGST incentives, representing the increase by 0.82% from 1.21% to 2.03% of total income.

*c) Business promotion expenses:*

The increase in business promotion expenses from ₹101.30 lakhs to ₹133.70 lakhs, representing an increase of 0.16% from 2.08% to 2.16% of total income on account of overseas business exhibition attended during Fiscal 2024.

*[Remainder of the page has been intentionally left blank]*

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the addendum and the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Sd/-**

**Dinesh Chopra**

*Chairman and Non-Executive Director*

**Place:** Delhi

**Date:** October 16, 2025

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the addendum and the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Sd/-**

**Swapnil Rameshbhai Makati**

*Managing Director*

**Place:** Ahmedabad

**Date:** October 16, 2025



## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the addendum and the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Sd/-**

**Hemangini Swapnil Dathia**

*Whole-Time Director*

**Place:** Ahmedabad

**Date:** October 16, 2025

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the addendum and the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Sd/-**

**Rajasekaran Guha**

*Non-Executive Director*

**Place:** Chennai

**Date:** October 16, 2025

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the addendum and the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Sd/-**

**Falgunbhai Prajapati**

***Independent Director***

**Place:** Ahmedabad

**Date:** October 16, 2025

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the addendum and the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Sd/-**

**Shail Jayesh Shah**

*Independent Director*

**Place:** Ahmedabad

**Date:** October 16, 2025

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the addendum and the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

### **SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

**Sd/-**

**Pradip Ramniklal Solanki**

*CFO*

**Place:** Ahmedabad

**Date:** October 16, 2025