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(Please scan this QR code to view the prospectus)

RENOL POLYCHEM LIMITED
CIN: U22209GJ2024PLC147599

(Formerly known as Renol Polychem Private Limited)

Our Company was originally incorporated as a Partnership Firm in the name of Renol Enterprises on April 01, 2008. Subsequently our Partnership Firm converted into Private Limited Company under the name of “**Renol Polychem Private Limited**” on January 09, 2024 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad. Subsequently, the name of our company was changed from “**Renol Polychem Private Limited**” to “**Renol Polychem Limited**” and a Certificate of Incorporation pursuant to conversion into Public Limited dated June 19, 2024 issued by the Registrar of Companies, Central Registration Centre. For details of incorporation, change of registered office of our Company, please refer to the section title “**History and Corporate Structure**” on page no 178 of this Draft Red Herring Prospectus.

Registered Office: 307, Sanskar Heights NR RA, Circle 150 FT Ring Road, Mavdi, Rajkot, Gujarat- 360004
Telephone: +91-9723780726; **Website:** www.renolpolychem.com; **E-mail:** compliance@renolpolychem.com
Company Secretary and Compliance Officer: Mr. Ankur Rastogi

THE PROMOTERS OF OUR COMPANY OUR MR. BHAVESHBHAI MANSUKHBHAI HARSODA AND MR. NAITIK BHAVESHBHAI HARSODA	
ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED DECEMBER 20, 2024: NOTICE TO THE INVESTORS (“THE ADDENDUM”)	
INITIAL PUBLIC ISSUE OF UPTO 24,54,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF RENOL POLYCHEM LIMITED (“RPL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹[●] LAKHS (“THE ISSUE”), OF WHICH 1,23,600 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE AGGREGATING TO ₹[●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 23,30,400 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A ISSUE PRICE OF ₹[●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE AGGREGATING TO ₹[●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.89% AND 29.34% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF OUR EQUITY SHARES IS ₹ 10/- EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER	
Potential Bidders may note the following: “COVER PAGE”, “SUMMARY OF THE ISSUE DOCUMENT”, “RISK FACTORS”, “GENERAL INFORMATION”, “OBJECTS OF THE ISSUE”, “BASIS OF ISSUE PRICE, “INDUSTRY OVERVIEW”, “OUR BUSINESS”, “KEY REGULATIONS AND POLICIES, “OUR MANAGEMENT”, “OUR PROMOTER & PROMOTER GROUP”, “FINANCIAL STATEMENT AS RESTATED”, “OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS, “GOVERNMENT AND OTHER APPROVALS”, “MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION AND “DECLARATION” have been updated in accordance with the suggestions made by NSE.	
Please note that all other details in, and updates to the Red Herring Prospectus/ Prospectus with respect to issue price and/or other relevant details will be carried out in the Red Herring Prospectus, as and when filed with ROC, SEBI and the Stock Exchange.	
The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.	
Place: Rajkot, Gujrat Date: 04.04.2025	On behalf of Reol Polychem Limited Sd/ Bhaveshbhai Mansukhbhai Harsoda Managing Director
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE



Corporate Makers Capital Limited
611, 6th Floor, Pragati Tower, Rajendra Place, New Delhi- 110008
Telephone: 011-41411600
Email: compliance@corporatemakers.in
Website: www.corporatemakers.in
Investor Grievance Email: info@corporatemakers.in
Contact Person: Mr. Rohit Pareek/ Mr. Pawan Mahur
SEBI Registration Number: INM000013095
CIN: U65100DL1994PLC063880



SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020
Telephone: 011 40450193-197
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Investor grievance email: grievances@skylinerta.com
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Contact Person: Mr. Virender Rana
SEBI Registration Number: INR000003241
CIN: U74899DL1995PTC071324

BID ISSUE PROGRAMME

ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]*	ISSUE OPENS ON: [●]*	ISSUE CLOSES ON: [●]**^
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*The 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 shall be one Working Day prior to the Bid/Issue Opening Date.

**^Our Company may in consultation with the BRLMs, consider closing the Issue Period for QIBs one Working Day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations.

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SECTION II – SUMMARY OF ISSUE DOCUMENT

Our Company specializes in manufacturing of customized masterbatch and pigments to suit the specific requirements of our customers/ manufacturers. The Company is also providing solutions such as all-in-one additive containing stabilisers, impact modifier, color pigments etc. to help the manufactures/ producers of UPVC, & CPVC pipes, Pipe fittings and manufacturing of other plastic products.

Our Company is running its business on B2B basis and selling or distributing its products directly to business or manufacturing or commercial organizations manufacturing the end products using our products as raw materials.

The Company has started manufacturing in 2020 by purchasing machinery in July, 2020. After the purchase of machinery, we began the manufacturing of Super Pack & One Pack, Anti-Moisture Powder and Colour Pigment in August 2020. After some time, we began manufacturing of Impact Modifier, Processing Aid, and Titanium Dioxide in September 2020. Further, achievement of manufacturing of said products, the Company commenced manufacturing of Filler Granules, Carbon Noodles and Colour Masterbatches in October 2020.

Our Company is manufacturing and selling the manufactured products under its own brand i.e. RENOL, however, the Company is not trading the products under its own brand, trading of products are made on “As it is basis”.

Bifurcation of PAT in Manufacturing and Trading Activity:

(figures in Rs. Lakh)

Particulars	As on September 30, 2024	From February 18, 2024 to March 31, 2024	From April 01, 2023 February 17, 2024	As on March 31, 2023	As on March 31, 2022
PAT from Manufacturing Activities	190.84	81.00	187.96	51.24	10.33
PAT from Trading Activities	28.77	72.39	53.11	21.57	5.42
Total PAT	219.61	153.39	241.07	72.81	15.75

*Note: The Profit after Tax (PAT) has been bifurcated between both activities based on the ratio of revenue generated from each activity.

SUMMARY OF RELATED PARTY TRANSACTIONS

b) Transactions with Related Parties:

(Amount in Rs. Lakh unless stated in %)

Particular	Nature Of Transaction	As on 30/09/2024		As on 31/03/2024		As on 17/02/2024		As on 31/03/2023		As on 31/03/2022	
		Amount	% from Revenue of operations	Amount	% from Revenue of operations	Amount	% from Revenue of operations	Amount	% from Revenue of operations	Amount	% from Revenue of operations
Bhaveshbhai M Harsoda	Salary/Remuneration to Director	9.00	0.31	15.00	2.33	10.00	0.22	12.25	0.29	15.50	0.58
Bhaveshbhai M Harsoda	Interest on Partner Capital	-	-	-	-	5.93	0.13	10.77	0.26	6.58	0.25
Pravinaben S Pambhar	Salary	-	-	-	-	6.25	0.14	12.25	0.29	15.50	0.58
Pravinaben S Pambhar	Interest on Partner Capital	-	-	-	-	7.80	0.17	11.18	0.27	7.77	0.29
Naitikbhai B Harsoda	Salary/Remuneration to Director	7.50	0.26	6.38	0.99	1.62	0.04	-	-	-	-
Ripal Polymers	Purchase of Goods	125.61	4.35	9.47	1.47	47.75	1.04	32.73	0.79	18.15	0.68

SECTION III – RISK FACTORS

INTERNAL RISK FACTORS

- 1. Extensive government regulation and the impact of plastics and related on the environment could have a severe impact on our ability to continue our business operations, which could adversely affect our business, results of operations and financial condition.***

We are engaged in the business of Manufacturing raw material used for plastic products based on products primarily plastic granuals, colour masterbatches, colour pigment, filer granule etc. The raw material utilized to manufacture these products predominantly consists of plastic. The increasing reliance of the world on plastics and plastic products and their impact on the environment, could lead to promulgation of stricter government regulations and adoption of rigorous waste management rules which in turn may require us to make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Increased awareness of plastic pollution and its staggering impact on our environment might lead to imposition of complete or partial ban on the industrial usage of plastics or supply of plastics, which could have a severe impact on the operation of our manufacturing unit and our continued business operations. On happening of any of the abovementioned events, we may have to completely halt our business operations or reduce our production to comply with the prevalent government and industrial regulations.

In the event, we are forced to shut down our manufacturing unit for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Further, halting of our business operations could be construed as an event of default by our secured lenders as per the loan agreements executed by our Company, consequently we may be required to repay the outstanding secured loans, failure of which would authorise our lenders to take appropriate actions enlisted as consequences of defaults of such agreements. We cannot assure you that the above-mentioned events will not occur or if they occur, we will effectively be able to deal with such events. In the event, we are forced to shut down our manufacturing units or halt our business operations, the continuity of our business operations, revenue, result of operations and financial condition might be adversely affected. Further at present the government has not taken/ introduced any regulations which may impact operations of our Company. We cannot assure that we will not experience any impact of any regulations or guidelines, if any, issued by the government in future, which could adversely affect our business prospects, financial condition, cash flows and results of operations. Further, the Company has not faced any instances in the past with respect to any regulations taken/introduce by the government which have impact on operation of the company.

- 2. Our continued operations are critical to our business and any shutdown of our manufacturing unit may adversely affect our business, results of operations and financial condition.***

Our manufacturing unit is located at Rajkot, Gujarat. As a result, any local social unrest, natural disaster or breakdown of services and utilities in these areas could have material adverse effect on the business, financial position and results of our operations. Our Manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the event, we are forced to shut down our manufacturing unit for a prolonged period; it would adversely affect our earnings, our results of operations and financial condition as a whole. In addition to the above if our manufacturing unit suffer losses as a result of any industrial accident, we may be forced to shut down our manufacturing unit which could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition. Further, any contravention of or non-compliance with the terms of various regulatory approvals applicable to our manufacturing unit may also require us to cease or limit production until such noncompliance is remedied to the satisfaction of relevant regulatory authorities. Except shutdown of our manufacturing unit in Covid lockdown and operational loss at such lock down period, our Company has not experienced any disruption in manufacturing unit and has not encountered any operational losses in the past as result of power failure, social unrest or natural disasters. However, we cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labor involved in our manufacturing unit, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business prospects, financial condition, cash flows and results of operations.

- 8. There have been certain instances of non-compliances in respect of ROC filing or payments. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of all applicable law and other law could impact on the financial position of the Company to that extent.***

The Company has generally complied with certain statutory provisions and there are the following discrepancies observed under provisions of Companies Act, 2013.

- *Error in filing of e-form PAS-3, with ROC, Ahmedabad for the allotment of 2,27,776 equity shares wherein the date of Board resolution is mentioned as 20-02-2024 whereas the date of allotment is mentioned as 05-03-2024.*

Additionally, we have strengthened our internal compliance system by introducing the 'Maker Checker' System and have undertaken steps to update the internal database with latest circulars and amendments to ensure future compliance. In the event the Company fails to submit the requisite disclosures to the regulators in the future, then the Company may be penalised by the regulators and the same may affect our results of operations.

Our Company has filed E-Form GNL-2 with the Registrar of Companies, Ahmedabad for placing on record the typographical error occurred while filing of said E-Form PAS-3.

Below E-Form was filed in delay, the details are as below:

S. No.	Eforms	Date of Event	Due Date of filing	Actual date of filing	No. of days delayed
1.	Form MGT-14	15-03-2024	14-04-2024	28-08-2024	136

We have not been issued any notice for the above referred default but in future we may get notices for said discrepancy. Therefore, we cannot confirm that no action from authorities would be taken against the Company pursuant to the above explained instance which may adversely affect our business and financial operation.

Further, we confirm that in the event of any action or directive issued by the competent authorities in the future, the Company will comply with all applicable laws, regulations and requirements set forth. The Company remains committed to adhere to legal obligations and regulatory standards as part of its ongoing commitment to corporate governance and transparency.

9. *We derive significant portion of our revenue from sale of limited variety of our products. An inability to adapt to evolving consumer preferences and demand for particular products, or ensure product quality may adversely impact demand for our products and consequently our business, results of operations, financial condition and cash flows.*

Our Company is engaged in the manufacturing of the following product categories and had generated the revenue as detailed herein:

(Amt in ₹ Lakh)

Products	September 30, 2024	% of total revenue	March 31, 2024	% of total revenue	March 31, 2023	% of total revenue	March 31, 2022	% of total revenue
Colour Masterbatches	393.58	13.64	643.93	12.32	425.01	10.20	150.99	5.64
Colour Pigment	269.91	9.35	482.62	9.23	316.70	7.60	157.36	5.87
Filler Granule	202.13	7.00	342.50	6.55	291.63	7.00	187.51	7.00
Anti-Moisture Powder	307.26	10.65	482.62	9.23	429.31	10.30	278.40	10.39
Carbon Noodles	288.47	10.00	484.29	9.27	304.08	7.30	224.98	8.40
Superpack & Onepack	608.44	21.08	830.32	15.89	603.95	14.49	452.80	16.90
Impact Modifier	256.85	8.90	312.16	5.97	248.57	5.97	133.96	5.00
Processing Modifier	66.20	2.29	152.59	2.92	142.30	3.42	69.97	2.61
Titanium Dioxide	115.00	3.98	181.57	3.47	171.03	4.10	101.64	3.79
Total of Products Sale	2,885.87	86.90	5,226.23	74.86	4,166.77	70.38	2,678.77	65.61

The Sales of above said products may decline as a result of customer preference or any alternate of the above products availability in the industry. Our Revenue is significantly dependent on the sale of above products and any impact on the sale of above products may severely impact the financial position of the company. Our results of operations are dependent on our ability to attract customers by anticipating and responding to changes in customer preferences and modifying our existing products in line with changes in customer requirements and preferences. If we are unable to anticipate and gauge customer preferences, or if we are

unable to adapt to such changes in a timely manner or at all, we may lose or fail to attract customers. Further, if we are not able to adapt to the changing trends, our products may become obsolete and we may be subject to pricing pressure to write-off such inventory. While we have not faced such challenges in the preceding fiscals, we cannot assure you that such instances will not occur in future, which in turn could adversely affect our business, results of operations, cash flows and financial condition.

10. Our Company does not have long term agreements with suppliers for supply of raw material. Our inability to obtain raw material in a timely manner, in sufficient quantities could adversely affect our operations, financial condition and/or profitability.

We depend on a number of suppliers within India for procurement of raw materials required for manufacturing our products. In September 30, 2024 and Fiscal Year 2024, 2023 and 2022, our cost of Goods Traded amounted to 84.79%, 82.80%, 92.01% and 93.34 % of our total revenue respectively. For the period ending September 30, 2024 and financial year ended March 31, 2024, 2023 and 2022, purchases from our top ten suppliers amounted to ₹ 2,141.16 Lakhs, ₹ 3,543.78 Lakhs, ₹ 3,428.32 Lakhs and ₹ 1,979.87 Lakhs respectively which represented 77.53%, 74.88%, 84.83% and 78.61% of our total raw material purchases. Major portion of our purchases of raw materials for the period ending September 30, 2024 and financial year ended March 31, 2024, 2023 and 2022 is from different states of India which is 82.49%, 85.30%, 77.04% and 90.46% of the total purchases of raw material respectively, for the said period. We are also exposed to foreign exchange related risks as some portion of our import of raw material is denominated in foreign currencies. Our total import purchases were ₹ 483.66 Lakhs, ₹ 695.76 Lakhs, ₹ 928.11 Lakhs and ₹ 240.32 Lakhs for the period and financial year ending September 30, 2024 and March 31, 2024, 2023 and 2022 respectively and represented 17.51%, 14.70%, 22.96% & 9.54% of our total purchases in such periods, respectively.

We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our manufacturing schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside. In the event that we fail to secure sufficient quantities of such raw materials from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance and cash flows may be adversely affected. The Company has not encountered any such situations during the last three years and stub period that resulted in the loss of a supplier which adversely impact operations of our Company. However, we cannot assure that we will not experience any impact of loss of majority of supplier in future, which could adversely affect our business prospects, financial condition, cash flows and results of operations. For further details, see **“Our Business”** on page no 243 of this Draft Red Herring Prospectus.

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

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing unit as well as on the market demand of the products sold by us. Among others, the capacity utilization also depends upon the availability of raw materials, labour, industry/ market conditions and procurement practice followed by our customers. For the period ending September 30, 2024 and in Fiscals 2024, 2023 and 2022, our overall capacity utilization is detailed below:

(Figures Metric Tonne per Annum unless mentioned in %)

Machine details	September 30, 2024#			March 31, 2024			March 31, 2023			March 31, 2022		
	Installed Capacity	Utilized Capacity	%	Installed Capacity	Utilized Capacity	%	Installed Capacity	Utilized Capacity	%	Installed Capacity	Utilized Capacity	%
Mixture Machine	3,100	2,157	69.58	6,200	5,700	91.94	6,200	3,850	62.10	6,200	1,740	28.06
Filler Extruder Machine	240	216	90.00	480	430	89.58	480	300	62.50	480	190	39.58
Master Batch Extruder Machine	480	445	92.71	960	900	93.75	960	480	50.00	960	260	27.08
Master Batch Pulvrising Machine	540	505	93.52	1,080	970	89.81	1,080	600	55.56	1,080	290	26.85
Carbon Noodle Extruder	390	234	60.00	780	420	53.85	780	524	67.18	780	160	20.51

Machine												
Moisture Packing*	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Air Compressor*	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Over All Capacity	4,750	3,557.00	74.88	9,500.00	8,420	88.63	9,500	5,754.00	60.57	9,500.00	2,640	27.79

Note: Figures as per certificate dated November 29, 2024 received from Bhavin Patel & Associates, Chartered Engineer.

#Installed capacity have been proportionately distributed based on the number of months.

*These machines do not have a measurable or standardized capacity, making it difficult to assess in the same way as other equipment or production lines. This could be due to the nature of their function (e.g., supporting infrastructure) or variability in usage. Therefore, the utilization is very less accordingly capacity utilization of Moisture Packing an Air Compressor are mentioned as NA.

In the event we are unable to achieve considerable capacity utilization of our current manufacturing unit, it would result in operational inefficiencies which could have a material adverse effect on our business, results, financial condition and future prospects. Under-utilization of our manufacturing capabilities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

14. An increase in the prices of our basic raw material could raise our manufacturing costs and could adversely affect our profitability.

The raw material consumption contribution is 84.79%, 82.79%, 92.01% and 93.34% of total revenue for the period ended September 30, 2024 and financial year ended March 31, 2024, 2023 and 2022 respectively. We are vulnerable to the risk of rising and fluctuating prices of raw materials which are determined by demand and supply conditions in the global and Indian markets. Any unexpected price fluctuations after placement of orders, shortage, delay in delivery, quality defects, or any factors beyond our control may result in an interruption in the supply of such materials and adversely affect our business, financial performance and cash flows.

We may suffer significant cost overruns or even losses in our projects due to unanticipated cost increases resulted from a number of factors such as unavailability or unanticipated increases in the cost of raw materials, labour and stores and spares, disruptions of the supply of raw materials due to factors beyond our control, unforeseen design or engineering challenges, severe weather conditions or force majeure events. If any of these risks materialize, they could adversely affect our profitability, which may in turn have an adverse effect on our overall results of operation.

Additionally, we do not enter into any long-term supply agreements with our suppliers and we purchase all these raw materials on a need basis primarily through the spot market purchase mechanism and seek to source such raw materials from diverse suppliers. We may at times also face the risks associated with compensating for or passing on increase in our cost of production on account of fluctuations in prices to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins directly or indirectly and thereby have a direct bearing on our profitability, resulting in a material adverse effect on our business, financial condition and results of operations. In the past few years, there has been a growing demand for our products necessitating continuing expansion of this industry. In the future, there may be industry-wide fluctuations in the supply of raw materials due to the growing demand for such products. We may, from time to time, experience late delivery from suppliers and may have to purchase raw materials at a higher price or with lower conversion efficiencies / specifications, which in turn may result in reduced revenues.

There can be no assurance that the current procurement efforts will be successful in ensuring an adequate supply of raw materials at viable prices to meet our production requirements. If we are unable to meet customer demand for our products or if our products are only available at a higher price because of a shortage of raw materials, we could lose customers, market share and revenue. Further, many of our competitors, that also purchase raw materials from our suppliers, may have stronger relationships as well as greater bargaining power with the suppliers. This may materially and adversely affect our business, financial condition, results of operations and cash flow.

In addition, any restrictions, either from the Central or state governments, or from countries which we import from, on the import of our raw materials or any adverse change in policies by India or other countries, in terms of tariff and non-tariff barriers, may adversely affect our business, prospects, financial condition and results of operations. There can be no assurance that such restrictions/ regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. Further, there can be no assurance that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, business

and results of operations. For details on such regulations and policies applicable to our business, see **“Financial Statement as Restated”** on page no **Error! Bookmark not defined.** of this Draft Red Herring Prospectus.

18. *If we are unable to comply with the material covenants of the borrowing or payment of principal or interest payment on borrowing, our business and prospects may be materially and adversely affected.*

We presently have not committed any default in compliance with the material covenants such as creation of full security as per terms of issue outstanding debt instruments, any default in compliance, default in payment of interest, default in redemption, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable, non-availability or non-maintenance of asset cover, interest cover, debt-service cover, etc. In the event of default in payment of interest/ principal borrowing or any default in connection with any terms of sanction letter, the same could have a material adverse effect on our business, financial condition, results of operations and cash flows but we are fortunate that we haven't faced any such major cancellation impacting the financial condition of the company.

22. *Our success depends on our ability to retain and attract qualified management and other key personnel, and if we are not able to retain them or recruit additional qualified personnel, we may be unable to successfully develop our business.*

We benefit from the experience of our Board of Directors and other key personnel who have extensive industry knowledge and expertise, and the loss of any of them could adversely affect our business, growth and results of operations. Our Board of Directors and other key personnel have been instrumental in implementing our growth strategies and expanding our business.

We also depend on our ability to retain and motivate key employees and attract qualified new employees. If we lose a member of the management team or a key employee, we may not be able to replace him or her easily or at all. The following table sets forth the attrition rate of the years / period indicated:

Particulars	For the Period ended 30 th September, 2024	For the Period ended 31 th March, 2024	For the Period ended 31 th March, 2023	For the Period ended 31 th March, 2022
No. of employees at the beginning of the period	11	8	7	7
No. of employee addition during the period	4	3	3	Nil
No. of left during the period	Nil	Nil	2	Nil
No. of employee at the end of the period	15	11	8	7
#Attrition Rate (In %)	Nil	Nil	26.66%	Nil

Attrition Rate = No of employees left during the period / Average number of employees Average No of employee = (No of employees at the beginning of the period + No of employees at the end of the period) / 2

Our inability to hire, train and retain a sufficient number of qualified employees could delay our ability to bring new products or services to the market and impair the success of our operations. This could have an adverse effect on our business and results of operations.

Our success also depends, in part, on key customer relationships forged by our directors and key personnels. If we were to lose these members of the senior management, we cannot assure you that we will be able to continue to maintain key customer relationships or renew them, which could adversely affect our business, financial condition, results of operations and cash flows.

26. *Reliance has been placed on information furnished by our certain Director and Key Managerial Personnel for details of their profiles included in this Prospectus.*

Mr. Bhaveshbhai Mansukhbhai Harsoda, Managing Director has Academic qualification upto Senior Secondary. However, he is unable to trace his educational certificate. There can be no assurance that such Director and Key Managerial Personnel will be able to trace their relevant documents in the future, or at all. Kindly refer Chapter **“Our Management”** and **“Our Promoter & Promoter Group”** on page no. 183 and 198 of the Draft Red Herring Prospectus.

34. *Our inability to respond adequately to increased competition from both organized and unorganized players in the market, which may significantly affect the fixation and realisation of the price for our product, which may adversely affect our business, financial condition and results of operations. We are subject to competition from both organized and unorganized players in the market, which may significantly affect the fixation and realization of the price for our product, which may adversely affect our business operation and financial condition.*

We may face competition from new entrants who may have more flexibility in responding to changing business and economic conditions. The basis of competition includes, among other things, pricing, innovation, perceived value and other criteria. We have experienced price competition in the past, and there can be no assurance that such price competition will not recur in the future. Growing competition may reduce revenues and margins and/or decrease our market share, either of which could affect our results of operations. These developments could render us obsolete or in competitive, which would harm our business and financial results. Our Company is operating in highly competitive industry and we generally face the competition in pricing of our products. To overcome with such situation we normally issue the cash discount scheme to promote our products in the industry.

The market for our products is competitive on account of existence of both the organized and unorganized players. Competition occurs generally on the key attributes such as quality of products, sales network, pricing and timely delivery. Some of our competitors have longer industry experience and greater financial, technical and other resources, which may enable them to adopt faster in changing market scenario and remain competitive. Moreover, the unorganized sector can offer their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

35. Changes in technology may affect our business by making our business capabilities less competitive or obsolete.

Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails technical and business risks. We cannot assure you that we will be able to successfully implement new technologies or adapt our systems to emerging industry standards. Changes in technology may require us to make additional capital expenditures to upgrade our capabilities. If we are unable, for technical, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and results of operations could be adversely affected. Though we have not faced any disruption in operations of our Company due to changes in technology during the last three fiscal years and stub period, we cannot assure you that we will not encounter such disruptions in the future. The occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation.

36. We are exposed to the risks of significant breaches of data security, and malfunctions or disruptions of information technology systems.

We depend on information technology systems and accounting system to support our business processes, including sales, order processing, procurement, inventory management, quality control, product costing, human resources and finance. Although these technology initiatives are intended to increase productivity and operating efficiencies, they may not achieve such intended results. These systems may be potentially vulnerable to data security breaches, whether by employees or others, which may result in unauthorized persons getting access to sensitive data. Such data security breaches could lead to the loss of trade secrets and the data related to our services and other proprietary information could be compromised. These systems are also susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, computer viruses or malware, break-ins and similar events. Effective response to such disruptions or malfunctions will require effort and diligence on the part of our employees to avoid any adverse effect to our information technology systems.

Though there have been no instances of information technology breach or any instance of cyber attack in our Company during the last three fiscal years and stub period, we cannot assure you that we will not encounter disruptions in the future. The occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation.

47. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which we operate contained in the Prospectus.

While facts and other statistics in the DRHP relating to India, the Indian economy and the industry in which we operate has been based on various governmental and organizational web site data that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “Industry Overview” beginning on page no 115 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be

unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

50. Our Company may not be successful in penetrating new export markets.

Expansion into new export markets subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations and the lack of reputation in such regions. In addition, the risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to other government actions; and political, economic and social instability.

Further the Company has participated in various seminars and exhibitions viz Karnataka and Telangana to expand and explore the opportunities in other states, as part of their PAN India expansion plans. The risks involved in entering into new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets by existing companies. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to other government actions; and political, economic and social instability.

51. Our Company and promoter group entity i.e. Renol Polymers has received GST/ Income Tax notice in the past, an adverse outcome of which may adversely affect our business, reputation and results of operations.

Our Company and Promoter Group entity namely Renol Polymers has received following notices:

Sr. No.	Particulars of litigation	Remarks
1.	Notice issued u/s 46 on date of issuance being 26/08/2021 for not filing of return with notice ID: ZA240821162811P	Case was resolved and erstwhile partnership firm namely Renol Enterprises has surrendered the previous GST registration: 24AAKFR3494D1Z5
2.	Notice issued for Defective Return u/s 139(9) for Assessment Year: 2013-14	Revised return was filed

We have not been issued any notice for the above referred default but in future we may get notices for said discrepancy. Therefore, we cannot confirm that no action from authorities would be taken against the Company or group entity pursuant to the above explained instance which may adversely affect our business and financial operation. The Company shall comply with the directions/ notice/ action, if any initiated by the competent authority.

For further details of certain material legal proceedings involving our Company, our Promoters, our directors, see ***“Outstanding Litigations and Material Developments”*** beginning on page no 238 of this Draft Red Herring Prospectus.

SECTION V – GENERAL INFORMATION

Peer Review Statutory Auditors

K M Chauhan and Associates

Chartered Accountants

204, Krishna Con-Arch, Near Post Office, University Road, Rajkot- 360005

Telephone: +91-9408005110

Email: bhavdip.poriya@gmail.com

FRN: 125924W

Peer Review Certificate: 015245

Contact Person: Mr. Bhavdipbhai P. Poriya

SECTION VII – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

1. Capital Expenditure in requirements for the purchase of Machinery

As on the date of this Draft Red Herring Prospectus, existing manufacturing unit of our company is located at Shed on Plot No. 34, R S No. 238, Kothariya, Rajkot, Gujarat, India admeasuring the total area of 4,500 Sq. Ft.

To expand our manufacturing capabilities, our Company intends to deploy an amount aggregating upto ₹560.00 lakhs out of net proceeds for Capital Expenditure in requirements for the purchase of Machinery. Our Company has identified the type of machinery to be purchased for the manufacturing unit and obtained quotation from various vendors but we are yet to place order for 100% of machinery. Our Company is proposing to install the new machinery at Plot No. 34, R S No. 238, Kothariya, Rajkot, Gujarat, India, which is owned by M/s Ripal Polymers, Partnership Firm & forms part of Promoter & Promoter Group. Further we confirm that we are in compliance with Regulation 230(3), of SEBI (ICDR) Regulations, 2018.

Presently, our majority of machinery operates at approximately 90% of its installed capacity. It is important to note that the existing machineries used by the Company are second hand which was acquired in July 2020. Due to the age of these machines, we are unable to operate them at their full capacity, necessitating an upgrade of our machinery to remain competitive in the market.

In our strategic vision to exponentially expand our production capacity, we are seeking advanced machinery that will play a crucial role in scaling our market supply and significantly boosting our market share through increased sales. This said machinery is designed to enhance the quality of our products but also to accelerate production timelines, ensuring we meet growing demand more efficiently. By improving our supply capacity, we will be well-positioned to penetrate untapped markets, unlocking new revenue streams and capitalizing on previously unexplored opportunities. Additionally, with a larger production scale, we can leverage economies of scale to reduce per-unit costs, making our offerings more competitive.

Details of machinery to be acquired by our Company is provided below:

Machinery-1

Quotation-2

Polymetrix Solutions located at Plot No. 98, Damanganga Industrial Park, Karvad Main Road, Karvad, Vapi, Gujarat, India – 396191	
Twins Screw Extruder Leisyritz ZSE 40CC-44D	
TECHNICAL SPECIFICATIONS	
L/D Ratio	44
Do/Di	1.5
Motor Power	90 KW – Siemens (Air Cooled), IP 55, F Class
Machine RPM	30-1000
Total Torque	864 NM
Specific Torque	11.5 Nm/ cm3
Gear Box Make	PIV-made in Germany
Screw Hardness	VAS200
Barrel Hardness	VSA200
Safety Clutch	Siemens -Flender-Germany
Water Solenoid Valve	Robust Industrial Valve (Coex Valve)-De
Vaccum Pump Capacity (Dry Air @20DC/100mb)	48 m3/hrs
Cooling system (Cooling efficiency)	75 kW
Screw Diameter	39.7 MM
Flight Depth	6.5 MM
HMI (Electric Controls)	Siemens TP1200
Control Screen	Siemens CPU 1512SP-1 PN
Die Head	Easy openable die head design
Barrel Cooling Design	Surrounding the Barrel and nearer to Chamber

Screw Shaft	Made in Germany
Side Feeder	With Barrel cooling arrangement with special features for low bulk density material
Amount (EUR) Amount (In ₹)*	1,94,670* 172.00 Lakh
Date of quotation and validity	January 04, 2025 and valid for 60 days
*We have received the quotation in EUR and have converted the value of EUR into Indian Rupees considering conversion rate as on December 19, 2024. The Quotation is in EUR currency as Polymetrix Solutions Principal Office is situated in Germany and they have setup an office in Gujarat in order to cater to the Indian Market. RBI Reference rate on December 19, 2024 was ₹ 88.3595.	

3. To meet Working Capital Requirements

With the expansion of the business, Company will be in the need of additional working capital requirements. We fund a majority of our working capital requirements in the ordinary course of business from banks facilities and internal accruals. Our business requires working capital majorly for investment in inventories, trade receivables and payment to trade payables and funding day to day operations. The Company will meet the requirement to the extent of ₹ 1,515 lakhs from the Net Proceeds of the Issue and balance from internal accruals/borrowings at an appropriate time. The balance portion of our Company working capital requirement shall be met from the working capital facilities availed and internal accruals.

The allocation under the head 'Networth / Internal Accruals' is the aggregate of the following components:

- Working Capital already Employed:** Amounting to ₹835.14 Lakhs, this figure represents the working capital for the financial year 2023-24. Working capital is calculated as the difference between current assets and current liabilities for the said financial year.
- Proceeds from Business Operations:** Amounting to ₹586.38 Lakhs, this is the internal accrual for the current financial year FY 2024-25. Internal accruals include the sum of the Net Profit for the current period plus Depreciation for the same period as mentioned below:
 - Net Profit: ₹544.49 Lakhs
 - Depreciation: ₹41.89 Lakhs
 - Total: ₹586.38 Lakhs

In this context:

- Networth** refers to the Working Capital Already Employed.
- Internal Accruals** refers to the Proceeds from Business Operations.
- Thus, the total amount allocated under 'Networth / Internal Accruals' is ₹835.14 Lakhs + ₹586.38 Lakhs = **₹1,421.52 Lakhs**.

Details of Estimation of Working Capital requirement are as follows:

(Rs. in Lakhs)

Particular	Fiscal 2022	Fiscal 2023	Fiscal 2024	For 30 September, 2024	Fiscal 2025 (Projected)	Fiscal 2026* (Projected)
	(Restated)				(Estimated)	
Current Assets						
Inventory	120.16	310.49	692.16	992.38	965.10	2093.42
Debtors	301.30	479.22	620.18	1185.66	1148.71	2042.37
Short term loan & Advances	53.33	40.31	-	4.15	53.32	180.50
Other Current Assets	79.48	60.35	75.21	83.30	70.00	166.30
Total (A)	554.27	890.37	1,387.54	2,265.49	2,237.33	4,482.59
Current Liabilities						
Trade Payable	56.84	177.29	255.94	213.95	285.00	100.00
Other Current Liabilities	38.02	18.44	30.53	7.87	3.71	9.00
Short Term Provisions	5.38	25.52	165.65	239.38	157.42	271.48
Total (B)	100.24	221.25	422.12	461.20	446.13	380.48

Total Working Capital (A-B)	454.03	669.12	965.42	1,804.29	1,791.20	4,102.11
Funding Pattern						
I) Borrowings for meeting working capital requirements	217.86	375.65	231.65	886.84	894.99	744.99
II) Networth / Internal Accruals	236.16	296.47	733.77	917.45	896.21	1,842.12
III) Proceeds from IPO	-	-	-	-	-	1,515.00

Revenue from Operations	2,678.77	4,166.77	5,226.23	2,885.87	5,571.75	8,850.00
% of Inventory Revenue from operations	4.48%	7.45%	13.24%	34.39%	17.32%	23.65%
% of Debtors / Revenue from operations	11.25%	11.50%	11.86%	41.08%	20.62%	23.07%
% of Trade Payable / Revenue from operations	2.12%	4.25%	4.32%	7.41%	5.11%	1.13%

Particular	Fiscal 2022	Fiscal 2023	Fiscal 2024	For 30 September, 2024	Fiscal 2025 (Projected)	Fiscal 2026* (Projected)
	(Restated)				(Estimated)	
Inventory	16	19	35	53	54	63
Debtors	41	34	38	57	58	66
Short Term Loans and Advances & Other Current Assets	18	10	6	5	7	10
Trade Payable	8	11	17	16	20	10
Working Capital cycle	67	52	63	99	99	129

**It is assumed that the proceed from the proposed IPO will be realized and utilized in FY 2025-26*

Particulars	Assumption made and Justification
Current Assets	
Inventories	The company projects its inventory holding period of 54 days in Fiscal 2025 and 63 days in Fiscal 2026. With the old existing machineries, the company holds inventory of Rs. 992.38 Lakhs as on 30th September, 2024 and anticipated inventory of Rs. 965.10 Lakhs as on Fiscal 2025, which includes raw material as well as finished goods, so that the manufacturing process continues. Moving ahead, the company will utilize the IPO proceeds in acquiring machineries of around Rs. 5.60 Crores. With the inclusion of these machineries, the requirement of raw material is likely to increase to significant level to meet enhanced capacity. Therefore, in order to avoid stoppage in manufacturing process, the company anticipates to hold inventory of Rs. 2093.42 Lakhs which will include raw material and finished goods.
Trade Receivable	Historically, the company maintained an average trade receivable turnover period of 38 days from FY 2021-22 to FY 2023-24. The trade receivables holding period for 30th September, 2024 was 57 days which will slightly increase to 58 days for the Fiscal 2025, Further the trade receivable holding period will reach to 66 days for Fiscal 2026. Currently the company deals mainly in the state of Gujarat and moving forward, the company intends to adopt a more relaxed credit policy as the company anticipates to explore new markets outside of Gujarat. The company has also started exploring new markets and as a result of this efforts the company has started receiving orders. Following table highlights details of the orders received by the Company from outside Gujarat territory:

	Outside Gujarat		
	Sr. No.	State	Amount
	1	Karnataka	1,32,90,000.00
	2	Rajasthan	3,91,55,000.00
	Total		5,24,45,000.00
Short term loan and advances & Other current assets	Indeed, short-term loans and advances, as well as other current assets, encompass a variety of financial instruments, including advances extended to vendors, balances with revenue authorities, and prepaid expenses. Currently, our average holding period for other current assets and short term loan and advances ranges from 18 days to 6 days. Looking ahead, the company intends to further streamline and optimize the management of its other current assets and short term loan and advances. As a result, it is projecting a significant reduction in the holding period to just 7 days in FY 2024-25 and 10 days in FY 2025-26.		
Current Liabilities			
Trade Payable	The trade payables of our company are determined based on the average standard payment terms offered by our vendors, primarily for the procurement of goods. The operating trade payables stood at 8 days, 11 days,17 days and 20 days for the Financial Year 2022, 2023, 2024 and 2025 respectively. Looking ahead to the Financial Year 2026, we have projected an average operating trade payables payment period of 10 days to help us stabilize our purchasing rates with vendors.		
Short - Term Borrowings	In the Financial Year 2021-22, Short Term Borrowing of ₹217.86 out of which ₹195.81 Lakhs for Cash Credit/ Overdraft facility from Bank & ₹22.05 Lakhs represent current maturity of long term loan. In the Financial Year 2022-23, the Company holds Cash Credit/ Overdraft Facility of ₹372.65 Lakhs from ICICI Bank and HDFC Bank. In the Financial Year 2023-24, ₹231.65 Lakhs includes ₹219.55 for Cash Credit Facility/overdraft facility from ICICI Bank and HDFC Bank, while ₹12.09 Lakhs is current maturity of long term borrowings. As of the reporting date, 30th September 2024, the Company has utilized ₹872.01 Lakhs of Cash Credit/Overdraft facility from ICICI Bank and HDFC Bank and holds Current maturity of loans amount to ₹2.62 Lakhs. To optimize financial costs, the Company plans to reduce the utilization to ₹786.84 Lakhs. Upon the issue of IPO proceeds, in the financial year 2025-26, the company anticipates to repay Rs. 100.00 Lakhs towards short term borrowings.		
Short Term Provisions	Short-term provisions include the tax provision for the current financial year, which will be paid in the following financial year. As of the stub period ending 30th September 2024, the company has not yet paid the income tax for the previous year as it’s due date for filling the Income Tax Return is 15th November, 2024, which was settled in October, 2024. Therefore, the amount of ₹239.38 Lakhs comprises ₹165.65 Lakhs related to the tax expense of the prior financial year and ₹73.74 Lakhs for the current year's tax provision. In the financial years 2025 and 2026, the provisions will reflect the income tax provision for the respective current years.		

The Company will purchase the new machinery aimed at significantly increasing our production capacity and enhancing our technological capabilities and there is no plan to launch any new product in upcoming future.

Note:

- a) Quotation received from the various vendors mentioned above is valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of the vendor and there can be no assurance that the same vendor would supply the Machinery at the same costs. The additional costs (including increase in the cost), if any shall be paid by our Company from its internal accruals and/ or unutilized bank facility see **“Risk Factor”**– “Our Company is yet to place orders for the machineries. Any delay in placing orders or procurement of such machinery may delay the schedule of implementation and possibly increase the cost of commencing operations” on page no 29 of this Draft Red Herring Prospectus.
- d) If the Net Proceeds are not utilized (in full or in part) for the Objects of the Issue during the period stated above due to factors such as (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company, the remaining Net

Proceeds shall be utilized (in part or full) in subsequent periods i.e. 2026-27 or as may be determined by our Company, in accordance with applicable laws.

h) the Company has obtained 2 quotations for procuring the machineries proposed in Object No. 1. Further, first set of quotations amounts to Rs. 5.50 Cr and second set of quotations amounts to Rs. 5.45 Cr (excluding GST, freight or any other charges). Therefore, the Company will not acquire all the machineries from set of quotations first & second and will only purchase machineries which are beneficial for the Company either from set of quotations first or second. However, aggregate amount proposed to be utilized for purchase of such machineries shall not exceed Rs. 5.60 crore as mentioned in the Objects of the Issue.

Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

Sr. No.	Particulars	Amount (₹ In Lakhs)	Amount to be deployed and utilized in	
			F.Y. 2024-25	F.Y. 2025-26
1.	Capital Expenditure in requirements for the purchase of Machinery	Upto 560.00	-	Upto 560.00
2.	Repayment of certain borrowings	Upto 100.00	-	Upto 100.00
3.	To meet out the Working Capital Requirements	Upto 1,515.00	-	Upto 1,515.00
4.	General Corporate Purposes	[●]	-	[●]
Total		[●]	-	[●]

To the extent our Company is unable to utilize any portion of the Net Proceeds in 2025-26 towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Year i.e. 2026-27 towards the Objects.

BASIS OF ISSUE PRICE

1. Basic and Diluted Earnings Per Share ('EPS'), as adjusted for changes in capital:

As derived from the Restated Financial Information:

Financial Year	Basic EPS/(in ₹)	Diluted EPS (in ₹)	Weights
As on September 30, 2024 (Not annualised)	4.00	4.00**	-
As on March 31, 2024	2.79	2.79	4
As on February 17, 2024	48.21	4.74	3
As on March 31, 2023	2.69*	1.00*	2
As on March 31, 2022	0.84*	0.24*	1
Weighted Average	16.20	2.76	10.00

*In FY 2021-22 and 2022-23, the Company was not in existence and it pertains to erstwhile partnership firm namely "Renol Enterprises"

**No. of shares Included 45,90,000 of Bonus Shares

Notes:

1. The ratios have been computed as under:

- Basic and diluted EPS: profit for the year attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding during the period. Basic and diluted EPS are computed in accordance with Accounting Standard 20 – "Earnings per share" issued by the Institute of Chartered Accountants of India.
- Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights

2. Price Earning (P/E) Ratio in relation to the Issue Price of ₹[●] to ₹[●] per Equity Share of Face Value of ₹10/- each fully paid up.

Particulars	P/E at the lower end of the price band (no. of times)	P/E at the higher end of the price band (no. of times)
P/E Ratio based on the Basic & Diluted EPS of ₹2.79 /- for the period ending March 31, 2024	[●]	[●]
P/E Ratio based on the Basic & Diluted EPS of ₹4.00/- for the period ending September 30, 2024	[●]	[●]
P/E ratio based on the Weighted Average Basic EPS – N.A.*	[●]	[●]

3. Return on Net Worth (RoNW)

Period	RoNW (%)	Weights
As on September 30, 2024 (Not annualised)	20.17	N.A.
As on March 31, 2024	17.65	4
As on February 17, 2024	97.90	3
As on March 31, 2023	26.90	2
As on March 31, 2022	8.37	1
Weighted Average	0.43	10

Note:

The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/period.

Return on net worth (%)	$\frac{\text{Net profit after tax as restated, attributable to the owners of the company}}{\text{Net worth as restated, including share capital and reserves and surplus, as stated at the end of the year}}$
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Net worth

Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

4. Net Asset Value (NAV) per Equity Share:

Period	NAV Per Share (In ₹)
As on September 30, 2024 (Not annualised)	19.83
As on March 31, 2024	15.83
As on February 17, 2024	49.25
As on March 31, 2023	10.00
As on March 31, 2022	10.00
NAV Post Issue:	
NAV Post Issue- at Cap Price of ₹[●]	[●]
NAV after issue- at Floor Price of ₹[●]	[●]
Issue Price per share	[●]

Note:

1. The ratio has been computed as under:

$$\text{Net Asset Value per equity share} = \frac{\text{Net worth as restated, including share capital and reserves and surplus, as restated at the end of the year}}{\text{No. of equity shares outstanding at the end of the year}}$$

$$\text{Basic earnings per share (₹)} = \frac{\text{Net profit after tax as restated for calculating basic EPS}}{\text{Weighted average number of equity shares outstanding at the end of the period or year}}$$

5. Comparison of Accounting Ratios with Industry Peers:

Name of Company	Face value (₹)	Current Market Price (₹)**	EPS (₹)	P/E ratio***	RoNW (%)	NAV per equity share	Revenue from operations (₹ In Lakhs)
Renol Polychem Limited	10	[●]	4.00	[●]	20.17	19.83	2,885.87
Peer Group*							
Multibase India Limited	10	278.70	3.40	81.97	5.91	110.14	3,764.83
Captain Polyplast Limited	2	86.35	2.90	29.78	16.44	21.69	11,814.60
R M Drip and Sprinklers Systems Limited	10	432.00	3.10	139.35	5.82	23.81	3,412.87

I. * Sourced from Un-Audited financials for the period ended September 30, 2024.

II. ** Current Market Price is taken as closing on March 26, 2025.

*** We have calculated P/E Ratio by dividing the Current Market Price prevailing as on March 26, 2025 and EPS as on September 30, 2024.

(This space has been left blank intentionally)

6. Key Financial and Operational Performance Indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of our Company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 19, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years’ period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by M/s K M Chauhan & Associates, Chartered Accountants, by their certificate dated December 13, 2024 having UDIN: 24154536BKBNMM4622.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later. Any change in these KPIs, during the aforementioned period, will be disclosed by the Company. Upto that, the ongoing KPIs shall continue to be certified as certified by M/s K M Chauhan & Associates, Chartered Accountants, by their certificate dated December 13, 2024 having UDIN: 24154536BKBNMM4622.

Key Financial Performance Indicators of our Company:

(Amount in Lakhs)

Particulars	As on September 30, 2024	From February 18, 2024 to March 31, 2024	From April 01, 2023 February 17, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from operations ⁽¹⁾	2,885.87	644.93	4,581.30	4,166.77	2,678.77
Revenue CAGR (%) from FY 2022-2024	24.95%				
EBITDA ⁽²⁾	318.32	225.28	391.25	137.52	40.80
EBITDA (%) Margin ⁽³⁾	11.03%	34.93%	8.90%	3.29%	1.53%
EBITDA CAGR (%) from FY 2022-2024	147.43%				
EBIT ⁽⁴⁾	311.96	228.01	391.73	134.37	37.22
ROCE (%) ⁽⁵⁾	30.75%	37.42%	104.33%	32.17%	9.14%
Current ratio ⁽⁶⁾	1.76	2.28	1.03	4.08	5.59
Operating cash flow ⁽⁷⁾	(588.57)	120.2	41.92	-111.04	22.28
PAT ⁽⁸⁾	219.61	153.39	241.06	72.81	15.75
PAT Margin ⁽⁹⁾	7.61%	23.78%	5.26%	1.75%	0.59%
Net Worth ⁽¹⁰⁾	1088.90	869.3	246.24	270.63	18.09
ROE/ RONW ⁽¹¹⁾	22.43%	27.50%	93.28%	31.74%	11.22%
EPS ⁽¹²⁾	4.00	2.79	NA	NA	NA

Note:

- (1) Revenue from operations is the revenue generated from operations by our Company.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses.
- (3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
- (4) EBIT is Earnings before Interest Cost and taxes.
- (5) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ equity plus long-term debt.
- (6) Current Ratio: Current Asset over Current Liabilities.
- (7) Operating Cash Flow: Net cash inflow from operating activities
- (8) PAT is mentioned as profit after tax for the period.
- (9) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- (10) Net Worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.
- (11) ROE/ RONW: Return on Equity is calculated as PAT divided by average shareholders’ equity
- (12) EPS: Earning per share is calculated as PAT divide by Weighted No. of equity shares.

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KPI	Explanation
Revenue from operation	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
Revenue CAGR %	Revenue CAGR informs the management of compounded annual growth rate i.e. Rate at which Company's revenue are growing on annual basis.
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
EBITDA CAGR %	EBITDA CAGR indicate our compounded growth of the business
ROCE %	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Current Ratio	Current ratio indicates the company's ability to bear its short-term obligations
Operating Cash Flow	Operating cash flow shows whether the company is able to generate cash from day-to-day business
PAT	Profit after Tax is an indicator which determine the actual earning available to equity shareholders
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
ROC/RONW	ROC/RONW (%) is an indicator which shows how much company is generating from its available shareholders' funds
EPS	Earning per shares is the company's earnings available of one share of the Company for the period

Comparison of KPI with Listed Industry Peers:

(Amount in Lakhs)

MULTIBASE INDIA LIMITED				
Particulars	As on 30 September, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from operations (1)	3,764.83	6,473.67	7,221.58	6,248.39
Revenue CAGR (%) from FY 2022-2024	1.19%			
EBITDA(2)	1,155.96	1,600.60	1,416.60	957.42
EBITDA (%) Margin(3)	30.70%	24.72%	19.62%	15.32%
EBITDA CAGR (%) from FY 2022-2024	6.48%			
EBIT(4)	1,101.60	1,499.44	1,316.50	862.78
ROCE (%) (5)	7.92%	11.33%	10.66%	7.72%
Current ratio(6)	11.70	17.24	13.75	11.09
Operating cash flow(7)	474.01	454.67	872.07	479.10
PAT(8)	821.07	1,115.22	978.86	633.93
PAT Margin (9)	21.81%	17.23%	13.55%	10.15%
Net Worth (10)	13,899.19	13,456.72	12,594.18	11,743.55
ROE/ RONW(11)	5.91%	8.29%	7.77%	5.40%

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(Amount in Lakhs)

CAPTAIN POLYPLAST LIMITED				
Particulars	As on September 30, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from operations ⁽¹⁾	11,814.60	29,432.10	22,459.70	18,516.85
Revenue CAGR (%) from FY 2022-2024	16.70%			
EBITDA ⁽²⁾	1351.41	3410.11	1864.86	1645.85
EBITDA (%) Margin ⁽³⁾	11.44%	11.59%	8.30%	8.89%
EBITDA CAGR (%) from FY 2022-2024	26.33%			
EBIT ⁽⁴⁾	1,230.62	3169.46	1593.17	1279.89
ROCE (%) ⁽⁵⁾	11.10%	28.04%	17.18%	13.77%
Current ratio ⁽⁶⁾	1.83	1.59	1.54	1.58
Operating cash flow ⁽⁷⁾	534.66	-1421.11	1179.75	1158.11
PAT ⁽⁸⁾	1947.85	1660.41	550.11	275.59
PAT Margin ⁽⁹⁾	16.49%	5.64%	2.45%	1.49%
Net Worth ⁽¹⁰⁾	11698.12	9241.92	7024.64	6489.47
ROE/ RONW ⁽¹¹⁾	16.65%	20.41%	8.14%	4.38%

(Amount in Lakhs)

R M DRIP & SPRINKLERS SYSTEMS LIMITED				
Particulars	As on September 30, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from operations ⁽¹⁾	3,412.87	5,026.92	1,095.41	1,791.59
Revenue CAGR (%) from FY 2022-2024	41.04%			
EBITDA ⁽²⁾	610.63	862.13	176.67	149.31
EBITDA (%) Margin ⁽³⁾	17.89%	17.15%	16.13%	8.33%
EBITDA CAGR (%) from FY 2022-2024	59.38%			
EBIT ⁽⁴⁾	507.35	748.55	87.66	101.56
ROCE (%) ⁽⁵⁾	8.02%	20.67%	5.45%	7.25%
Current ratio ⁽⁶⁾	2.69	2.25	2.03	1.60
Operating cash flow ⁽⁷⁾	-1284.98	-1372.01	-193.78	95.43
PAT ⁽⁸⁾	346.06	541.03	2.89	-94.33
PAT Margin ⁽⁹⁾	10.14%	10.76%	0.26%	-5.27%
Net Worth ⁽¹⁰⁾	5946.68	3551.12	1273.56	1270.66
ROE/ RONW ⁽¹¹⁾	5.82%	15.24%	0.23%	-7.42%

Notes:

(1) Revenue from operations is the revenue generated from operations by our Company.

(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses.

(3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

(4) EBIT is Earnings before Interest Cost and taxes.

(5) ROCE: Return on Capital Employed is calculated as EBIT divided by average capital employed, which is defined as shareholders' equity plus long-term debt plus current maturities.

(6) Current Ratio: Current Asset over Current Liabilities

(7) Operating Cash Flow: Net cash inflow from operating activities

(8) PAT is mentioned as profit after tax for the period.

(9) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.

(10) Net Worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.

(11) ROE/ RONW: Return on Equity is calculated as PAT divided by average shareholders' equity

(12) EPS: Earning per share is calculated as PAT divide by Weighted No. of equity shares.

KPI	Explanation
Revenue from operation	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
Revenue CAGR %	Revenue CAGR informs the management of compounded annual growth rate i.e. Rate at which Company's revenue are growing on annual basis.
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
EBITDA CAGR %	EBITDA CAGR indicate our compounded growth of the business
ROCE %	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Current Ratio	Current ratio indicates the company's ability to bear its short-term obligations
Operating Cash Flow	Operating cash flow shows whether the company is able to generate cash from day-to-day business
PAT	Profit after Tax is an indicator which determine the actual earning available to equity shareholders
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
ROC/RONW	ROC/RONW (%) is an indicator which shows how much company is generating from its available shareholders' funds
EPS	Earning per shares is the company's earnings available of one share of the Company for the period

SECTION VIII – ABOUT THE COMPANY

INDUSTRY OVERVIEW

PEER COMPARISON

i. Multibase India Limited

Multibase India Limited was incorporated on December 17, 1991. The company is engaged in manufacturing of thermoplastic elastomers and silicone-based products. We serve a wide array of industries, across automotive, electronics, consumer, & Industrial segments, collaborating with various customers and offering products, exporting to global markets.

Financials

(₹ in Lakhs)

MULTIBASE INDIA LIMITED				
Particulars	As on 30 September, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from operations (1)	3,764.83	6,473.67	7,221.58	6,248.39
Revenue CAGR (%) from FY 2022-2024	1.19%			
EBITDA(2)	1,155.96	1,600.60	1,416.60	957.42
EBITDA (%) Margin(3)	30.70%	24.72%	19.62%	15.32%
EBITDA CAGR (%) from FY 2022-2024	6.48%			
EBIT(4)	1,101.60	1,499.44	1,316.50	862.78
ROCE (%) (5)	7.92%	11.33%	10.66%	7.72%
Current ratio(6)	11.70	17.24	13.75	11.09
Operating cash flow(7)	474.01	454.67	872.07	479.10
PAT(8)	821.07	1,115.22	978.86	633.93
PAT Margin (9)	21.81%	17.23%	13.55%	10.15%
Net Worth (10)	13,899.19	13,456.72	12,594.18	11,743.55
ROE/ RONW(11)	5.91%	8.29%	7.77%	5.40%

Source: Company's Standalone Financials/ Annual Reports available on BSE Limited & MCA

ii. Captain Polyplast Limited

Captain Polyplast Limited was incorporated on March 27, 1997. The company is engaged in manufacturing, exporting and trading of supreme quality HDPE Pipes and Irrigation Equipment including Drip Irrigation Systems, Sprinkler Irrigation Systems, Disc Filters, Screen Filters, Hydro-Cyclone Filters, Sand (Gravel) Filters, Compression Fittings, Valves (Electric & Mechanical), Fertilizer Tanks, Digital Controllers, Pressure Gauges, etc.

Financials

(₹ in Lakhs)

CAPTAIN POLYPLAST LIMITED				
Particulars	As on September 30, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from operations ⁽¹⁾	11,814.60	29,432.10	22,459.70	18,516.85
Revenue CAGR (%) from FY 2022-2024	16.70%			
EBITDA ⁽²⁾	1351.41	3410.11	1864.86	1645.85
EBITDA (%) Margin ⁽³⁾	11.44%	11.59%	8.30%	8.89%
EBITDA CAGR (%) from FY 2022-2024	26.33%			
EBIT ⁽⁴⁾	1,230.62	3169.46	1593.17	1279.89
ROCE (%) ⁽⁵⁾	11.10%	28.04%	17.18%	13.77%

Current ratio ⁽⁶⁾	1.83	1.59	1.54	1.58
Operating cash flow ⁽⁷⁾	534.66	-1421.11	1179.75	1158.11
PAT ⁽⁸⁾	1947.85	1660.41	550.11	275.59
PAT Margin ⁽⁹⁾	16.49%	5.64%	2.45%	1.49%
Net Worth ⁽¹⁰⁾	11698.12	9241.92	7024.64	6489.47
ROE/ RONW ⁽¹¹⁾	16.65%	20.41%	8.14%	4.38%

Source: Company's Standalone Financials/ Annual Reports available on BSE Limited & MCA

iii. R M Drip and Sprinklers Systems Limited

R M Drip and Sprinklers Systems Limited was incorporated on December 20, 2004. The company is engaged in designing and manufacturing of micro irrigation equipment and components. It assists farmers in designing and installation of Sprinkler and Drip Irrigations systems. It is also Original Equipment supplier to many irrigation companies and various irrigation sub assembly manufacturers. Company has a dealer network in Maharashtra, Madhya Pradesh, Gujarat, Karnataka and Uttar Pradesh, Bihar, Rajasthan and Jharkhand.

Financials

(₹ in Lakhs)

R M DRIP & SPRINKLERS SYSTEMS LIMITED				
Particulars	As on September 30, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from operations ⁽¹⁾	3,412.87	5,026.92	1,095.41	1,791.59
Revenue CAGR (%) from FY 2022-2024	41.04%			
EBITDA ⁽²⁾	610.63	862.13	176.67	149.31
EBITDA (%) Margin ⁽³⁾	17.89%	17.15%	16.13%	8.33%
EBITDA CAGR (%) from FY 2022-2024	59.38%			
EBIT ⁽⁴⁾	507.35	748.55	87.66	101.56
ROCE (%) ⁽⁵⁾	8.02%	20.67%	5.45%	7.25%
Current ratio ⁽⁶⁾	2.69	2.25	2.03	1.60
Operating cash flow ⁽⁷⁾	-1284.98	-1372.01	-193.78	95.43
PAT ⁽⁸⁾	346.06	541.03	2.89	-94.33
PAT Margin ⁽⁹⁾	10.14%	10.76%	0.26%	-5.27%
Net Worth ⁽¹⁰⁾	5946.68	3551.12	1273.56	1270.66
ROE/ RONW ⁽¹¹⁾	5.82%	15.24%	0.23%	-7.42%

Source: Company's Standalone Financials/ Annual Reports available on NSE Limited & MCA

Notes:

(1) Revenue from operations is the revenue generated from operations by our Company.

(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses.

(3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

(4) EBIT is Earnings before Interest Cost and taxes.

(5) ROCE: Return on Capital Employed is calculated as EBIT divided by average capital employed, which is defined as shareholders' equity plus long-term debt plus current maturities.

(6) Current Ratio: Current Asset over Current Liabilities

(7) Operating Cash Flow: Net cash inflow from operating activities

(8) PAT is mentioned as profit after tax for the period.

(9) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.

(10) Net Worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.

(11) ROE/ RONW: Return on Equity is calculated as PAT divided by average shareholders' equity

(12) EPS: Earning per share is calculated as PAT divide by Weighted No. of equity shares.

OUR BUSINESS

Our Company specializes in manufacturing of customized masterbatch and pigments to suit the specific requirements of our customers/ manufacturers. The Company is also providing solutions such as all-in-one additive containing stabilisers, impact modifier, color pigments etc. to help the manufactures/ producers of UPVC, & CPVC pipes, Pipe fittings and manufacturing of other plastic products.

Our Company is running its business on B2B basis and selling or distributing its products directly to business or manufacturing or commercial organizations manufacturing the end products using our products as raw materials.

The Company has started manufacturing in 2020 by purchasing machinery in July, 2020. After the purchase of machinery, we began the manufacturing of Super Pack & One Pack, Anti-Moisture Powder and Colour Pigment in August 2020. After some time, we began manufacturing of Impact Modifier, Processing Aid, and Titanium Dioxide in September 2020. Further, achievement of manufacturing of said products, the Company commenced manufacturing of Filler Granules, Carbon Noodles and Colour Masterbatches in October 2020.

Our Company is manufacturing and selling the manufactured products under its own brand i.e. 'RENOL', however the Company is not trading the products under its own brand, trading of products is made on "As it is basis".

Key Financial Performance Indicators of our Company:

(Amount in Lakhs)

Particulars	As on September 30, 2024	From February 18, 2024 to March 31, 2024	From April 01, 2023 February 17, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from operations ⁽¹⁾	2,885.87	644.93	4,581.30	4,166.77	2,678.77
Revenue CAGR (%) from FY 2022-2024	24.95%				
EBITDA ⁽²⁾	318.32	225.28	391.25	137.52	40.80
EBITDA (%) Margin ⁽³⁾	11.03%	34.93%	8.90%	3.29%	1.53%
EBITDA CAGR (%) from FY 2022-2024	147.43%				
EBIT ⁽⁴⁾	311.96	228.01	391.73	134.37	37.22
ROCE (%) ⁽⁵⁾	30.75%	37.42%	104.33%	32.17%	9.14%
Current ratio ⁽⁶⁾	1.76	2.28	1.03	4.08	5.59
Operating cash flow ⁽⁷⁾	(588.57)	120.2	41.92	-111.04	22.28
PAT ⁽⁸⁾	219.61	153.39	241.06	72.81	15.75
PAT Margin ⁽⁹⁾	7.61%	23.78%	5.26%	1.75%	0.59%
Net Worth ⁽¹⁰⁾	1088.90	869.3	246.24	270.63	18.09
ROE/ RONW ⁽¹¹⁾	22.43%	27.50%	93.28%	31.74%	11.22%
EPS ⁽¹²⁾	4.00	2.79	NA	NA	NA

Note:

- (1) Revenue from operations is the revenue generated from operations by our Company.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses.
- (3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
- (4) EBIT is Earnings before Interest Cost and taxes.
- (5) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt.
- (6) Current Ratio: Current Asset over Current Liabilities.
- (7) Operating Cash Flow: Net cash inflow from operating activities
- (8) PAT is mentioned as profit after tax for the period.
- (9) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- (10) Net Worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.
- (11) ROE/ RONW: Return on Equity is calculated as PAT divided by average shareholders' equity
- (12) EPS: Earning per share is calculated as PAT divide by Weighted No. of equity shares.

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SWOT ANALYSIS

Strength

- **Cost effective products**

Our efficient quality of products able to maintain the high quality with less quantum implementation of the masterbatch and leads to effective cost of production by the manufacturer in manufacturing their product range viz PVC or UPVC pipes etc.

- **Cordial relationship with Customers**

Our promoters and management team enjoys a cordial relationship with our customers which is being created over the years by supplying the sustainable quality products leading to repeated customers.

- **Wide Range of Products**

We have diversified product ranges like carbon noodles, colour masterbatches etc. We believe that maintaining a variety in range of products in our business provides us with an opportunity to cater to diverse needs of different customer segment. Our Company believes in qualitative manufacturing and adheres to various qualitative standards.

Weakness

- **Access of Skilled labour**

Our manufacturing process requires skilled labour to have optimum and standardized mixing of the components to manufacture the masterbatch and other products and our industry depends on the skilled labour for efficient manufacturing.

- **Working Capital Intensive business**

Our industry has to maintain the inventory to support the market requirements as per the requirement of the industry and therefore, company is required to maintain high working capital consumption to meet the adequate market demands.

- **Rapid changes in plastics industry**

Plastic industry is highly volatile and rapid changes majorly impact the maintenance of the apt product range.

Opportunities

- **Huge growth potential in domestic and international market**

There exist huge market in national and international region for masterbatch and other products to provide the durability and stability to the range of plastic products. The masterbatch market was USD 12.9 billion in 2023 and is projected to reach USD 16.8 billion by 2028, at CAGR of 5.4% during the forecast.

Source –

<https://www.marketsandmarkets.com/Market-Reports/masterbatches-market->

- **Large potential**

Prospects of exploring and scaling the business in the unorganized market.

Threats

- **Increase competition from local and big players**

Intense competition from large players and small local players in the industry being an unorganized sector.

- **Our operations in unorganized sector are prone to changes in government policies**

Regulatory changes or legal challenges, which can impact the ability to manufacture or distribute content or access certain markets impact the industry.

- Any change or shift of focus of government policies may adversely impact our financials

Regulatory changes or policy amendments may impact the ability to manufacture or distribute content or access certain markets impact the industry.

OUR REVENUE MODEL IS SUMMARIZED AS BELOW:

Bifurcation of PAT in Manufacturing and Trading Activity:

(figures in Rs. Lakh)

Particulars	As on September 30, 2024	From February 18, 2024 to March 31, 2024	From April 01, 2023 February 17, 2024	As on March 31, 2023	As on March 31, 2022
PAT from Manufacturing Activities	190.84	81.00	187.96	51.24	10.33
PAT from Trading Activities	28.77	72.39	53.11	21.57	5.42
Total PAT	219.61	153.39	241.07	72.81	15.75

*Note: The Profit after Tax (PAT) has been bifurcated between both activities based on the ratio of revenue generated from each activity.

2. Diversified product range appealing to a wide range of customers

Our company has diverse product portfolio across various categories which includes products as mentioned herein below. We deal in a wide range of products, which enables us to cater widespread customer base across India and also expand our reach in international locations. Over the period, we have expanded our focus from trading of products to manufacturing of products. We believe that we have necessary resources, experience and network to launch additional products in future and to cater to wider range of products related to our industry as per requirements of the customers.

The table below reflects our revenues from operations for the periods indicated based on our different products:

(₹ in INR, except for percentage)

Product Name	Period ended September 30, 2024	% of Total Sales	FY 2023-24	% of Total Sales	FY 2022-23	% of Total Sales	FY 2021-22	% of Total Sales
Products Manufactured								
Colour Masterbatches	3,93,58,125	13.64	6,43,93,465	12.32	4,25,01,505	10.20	1,50,99,495	5.64
Colour Pigment	2,69,91,438	9.35	4,82,62,314	9.23	3,16,69,670	7.60	1,57,35,862	5.87
Filler Granule	2,02,12,904	7.00	3,42,50,010	6.55	2,91,63,269	7.00	1,87,51,360	7.00
Anti-Moisture Powder	3,07,26,073	10.65	4,82,62,318	9.23	4,29,31,304	10.30	2,78,40,452	10.39
Carbon Noodles	2,88,46,905	10.00	4,84,29,115	9.27	3,04,08,057	7.30	2,24,97,657	8.40
Superpack & Onepack	6,08,43,630	21.08	8,30,32,835	15.89	6,03,95,692	14.49	4,52,79,981	16.90
Impact Modifier	2,56,85,032	8.90	3,12,16,021	5.98	2,48,57,430	5.97	1,33,95,938	5.00
Processing AID	66,19,673	2.29	1,52,59,158	2.92	1,42,30,819	3.42	69,96,683	2.61
Titanium Dioxide	1,15,00,497	3.99	1,81,57,307	3.47	1,71,03,381	4.10	1,01,63,979	3.79
Total A	25,07,84,277	86.90	39,12,62,543	74.86	29,32,61,127	70.38	17,57,61,407	65.61
Products Traded								
Carbon Powder	42,80,510	1.48	2,20,18,851	4.21	2,30,32,890	5.53	2,20,25,321	8.22
Tin Stabiliser	99,07,032	3.43	2,55,98,550	4.90	2,05,38,200	4.93	1,55,38,500	5.80
Waxes and Lubrication (PE Wax, Chemical Additives)	68,32,600	2.37	1,83,83,083	3.52	1,66,32,800	3.99	1,20,30,208	4.49
Steric Acid	20,32,730	0.70	71,06,910	1.36	75,32,943	1.81	45,38,300	1.69

Calcium Zinc Stabilizer	9,55,890	0.33	56,68,320	1.08	55,38,620	1.33	40,60,275	1.52
Zinc Stearate	12,25,100	0.42	63,92,990	1.22	56,32,700	1.35	23,79,610	0.89
Calcium Stearate	14,89,610	0.52	54,01,006	1.03	45,32,400	1.09	35,60,200	1.33
Anti-Oxidant	8,95,400	0.31	30,23,020	0.58	22,50,370	0.54	9,80,530	0.37
DOP, DBP, EPOXY, CPW (White Oils)	41,64,692	1.44	1,37,89,300	2.64	1,65,32,800	3.97	89,20,498	3.33
NBS	5,68,200	0.20	13,86,290	0.27	18,55,966	0.45	11,25,800	0.42
Optical Brightener	12,35,720	0.43	21,70,742	0.42	15,60,850	0.37	9,35,600	0.35
Calcium Powder (Marble Powder)	42,15,608	1.46	2,04,21,550	3.91	1,77,75,106	4.27	1,60,20,320	5.98
Total B	3,78,03,092	13.10	13,13,60,612	25.14	12,34,15,645	29.62	9,21,15,162	34.39
Total Sales (A + B)	28,85,87,369	100	52,26,23,155	100	41,66,76,772	100	26,78,76,569	100

Geography-wise revenues from operations with the name of the other states is mentioned below:

(₹ in Lakhs, except for percentage)

Geographical Locations	As on September 30, 2024	% of Revenue from Operations	As on March 31, 2024	% of Revenue from Operations	As on March 31, 2023	% of Revenue from Operations	As on March 31, 2022	% of Revenue from Operations
Gujarat	2,787.35	96.59%	3,058.91	58.53%	2,311.72	55.48%	1,241.07	46.33%
Tamil Nadu	5.04	0.17%	1,177.99	22.54%	826.27	19.83%	460.21	17.18%
Karnataka	20.02	0.69%	763.03	14.60%	640.85	15.38%	328.15	12.25%
Other States*	73.46	2.55%	226.30	4.33%	387.93	9.31%	649.33	24.24%
Total	2,885.87	100.00%	5,226.23	100.00%	4,166.76	100.00%	2,678.76	100.00%

*Other states include Chattisgarh, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, Uttarakhand, Delhi, Haryana, Andhra Pradesh, Dadra and Nagar Haveli, Punjab, West Bengal and Chandigarh.

Note:

The aforesaid details are duly certified by M/s K M Chauhan & Associates, Chartered Accountants, by their certificate dated December 13, 2024 having UDIN: 24154536BKBNML2457.

Disclosure about the repeat and new customer revenue bifurcation for the last three financial years and stub period is as follows:

Particulars	01.04.2021 to 31.03.2022	Total Revenue	% of Total Revenue	01.04.2022 to 31.03.2023	Total Revenue	% of Total Revenue	01.04.2023 to 31.03.2024	Total Revenue	% of Total Revenue	01.04.2024 to 30.09.2024	Total Revenue	% of Total Revenue
Retained Customer from Last year	187	1,472.64	54.97	407	3,292.30	79.01	487	4,601.30	88.04	391	2,276.39	78.88
Addition During the Year	406	1,206.12	45.03	313	874.47	20.99	255	624.93	11.96	284	609.49	21.12
Total Customer at the end of period	593	2,678.76	100.00	720	4,166.77	100.00	742	5,226.23	100.00	675	2,885.88	100.00
Total Average	683											

Customer During the last 3 financial year & stub period	
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Industry Wise Revenue Bifurcation of Our Company:

(Figures in INR unless mentioned in %)

Particulars	FY 2021-22	FY 2021-22 % of Revenue	FY 2022-23	FY 2022-23 % of Revenue	FY 2023-24	FY 2023-24 % of Revenue	For Period up to 30.09.2024	30.09.2024 % of Revenue
Black HDP Pipe Manufacturing Industries	5,34,43,476.00	19.95%	6,99,73,747.00	16.79%	8,42,37,266.00	16.12%	3,72,92,107.00	12.92%
Poly Propylene Manufacturing Industries and Plastic Molding Manufacturing Industries	1,96,86,960.00	7.35%	3,07,24,119.00	7.37%	3,64,20,752.00	6.97%	2,14,48,624.00	7.43%
PVC Pipe Manufacturing Industry	16,69,05,681.00	62.31%	27,30,47,602.00	65.53%	35,37,02,819.00	67.68%	19,91,20,565.00	69.00%
Recycled Granules Manufacturing Industries and Polythnic Bag Manufacturing Industries	2,78,40,452.00	10.39%	4,29,31,304.00	10.30%	4,82,62,318.00	9.23%	3,07,26,073.00	10.65%
Grand Total	26,78,76,569.00	100.00%	41,66,76,772.00	100.00%	52,26,23,155.00	100.00%	28,85,87,369.00	100.00%

PROCESS OF TRADING PRODUCTS BY THE COMPANY

Procurement from Vendors: The Company procures products from the vendors. These products are typically delivered in bulk packaging of 20 Kg or 25 Kg units, depending on the product type.

Quality Check and Inspection: Upon receiving the products, the Company conducts necessary quality checks to ensure that the goods meet the required standards. Any discrepancies or issues are addressed before moving forward.

Storage and Inventory Management: After inspection, the products are stored in the Company's warehouse or storage facility, where they are carefully managed and organized in inventory systems to maintain accurate records of stock levels.

Marketing and Sales: The Company uses its own marketing strategies to promote the products to potential customers/manufacturers. This may include digital marketing, sales outreach and other promotional activities tailored to the target audience.

Order Fulfillment: Once customers place orders, the Company processes the requests and deliver the products for delivery.

Direct Sales to Customers/ Manufacturers: The Company sells the products directly to customers/ manufacturers managing the entire sales transaction including pricing, invoicing, and customer service.

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CAPACITY & CAPACITY UTILISATION

(Figures Metric Tonne per Annum unless mentioned in %)

Machine details	September 30, 2024#			March 31, 2024			March 31, 2023			March 31, 2022		
	Installed Capacity	Utilized Capacity	%	Installed Capacity	Utilized Capacity	%	Installed Capacity	Utilized Capacity	%	Installed Capacity	Utilized Capacity	%
Mixture Machine	3,100	2,157	69.58	6,200	5,700	91.94	6,200	3,850	62.10	6,200	1,740	28.06
Filler Extruder Machine	240	216	90.00	480	430	89.58	480	300	62.50	480	190	39.58
Master Batch Extruder Machine	480	445	92.71	960	900	93.75	960	480	50.00	960	260	27.08
Master Batch Pulvrising Machine	540	505	93.52	1,080	970	89.81	1,080	600	55.56	1,080	290	26.85
Carbon Noodle Extruder Machine	390	234	60.00	780	420	53.85	780	524	67.18	780	160	20.51
Moisture Packing*	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Air Compressor*	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Over All Capacity	4,750	3,557.00	74.88	9,500.00	8,420	88.63	9,500	5,754.00	60.57	9,500.00	2,640	27.79

Note: Figures as per certificate dated November 29, 2024 received from Bhavin Patel & Associates, Chartered Engineer.

#Installed capacity have been proportionately distributed based on the number of months.

*These machines do not have a measurable or standardized capacity, making it difficult to assess in the same way as other equipment or production lines. This could be due to the nature of their function (e.g., supporting infrastructure) or variability in usage. Therefore, the utilization is very less accordingly capacity utilization of Moisture Packing an Air Compressor are mentioned as NA.

SALES & MARKETING

Our Company is having an Experienced & Customer Centric Business Development Team right from the Top Management till the on-field executive, whose main aim is to bring the business for the organisation in a right full way. We are selling our product majorly within the state of Gujarat as demand in the area for the product is manifold than the production capacity within the state.

The efficiency of the sales and marketing network is critical to success of our Company. Our success lies in the strength of our relationship with the clients who have been associated with our Company. Our team through their experience and good rapport with these clients owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. To get repeat orders from our customers, our team having adequate experience and competence, regularly interact with them and focus on gaining an insight into the additional needs of customers.

Our Company has participated and show case the company products in following exhibitions and events for its marketing initiatives:

1. Gujarat State Plastic Manufacturers Exhibition- December 2024;
2. HIPLEX International Plastics Expo- 2023 – August 2024
3. Plastivision India Vision- 2023 held by All India Plastics Manufacturers Association
4. VAPI Plast Show- March 2024

B2B or B2C segment:

Our Company is running its business on B2B basis and selling or distributing its products directly to business or manufacturing or commercial organizations manufacturing the end products using our products as raw materials.

Our Company specializes in manufacturing of customized masterbatch and pigments to suit the specific requirements of manufacturers manufacturing the UPVC & CPVC pipes, pipe fittings and other manufacturers of plastic products. The Company is also providing solutions such as all-in-one additive containing stabilisers, impact modifier, color pigments etc.

3. Availability of Raw Material and Components

We depend on third-party transportation to receive input/ raw materials required for our products and to deliver our finished products to our customers. We use third-party logistics providers for all of our product distribution and input materials procurement. This makes us dependent on such third-party transportation providers.

Our Company utilizes a diverse network of third-party transporters and not dependent on a single transport provider. In the past our Company has not faced any operational delays caused by the delay in delivery of raw materials. Additionally, our Company over the past three fiscals have maintained raw material stock equivalent to 20-25 working days, which equips us to handle any delays in transportation.

We require raw materials for manufacturing of various products as stated below includes:

Sr. No.	Name of Products	Raw Materials
1	Color Masterbatches	• All Colors • LLDP (PP Vergine Granules) • Marble Powder (Filler Powder) • Titanium Dioxide* • Wax • Zinc Stearate • Calcium Zinc Stabilizer (UV stabilizer) • Anti-Oxidant • Calcium Stearate
2	Color Pigment	• Colors • Titanium Dioxide* • Wax • Zinc Stearate • Calcium Zinc Stabilizer (UV stabilizer) • Anti-Oxidant • Calcium Stearate
3	Filler Granule	• LLDP Virgin (PP Vergine Granules) • Calcium Powder • Waxes • CPW (White Oils) • Titanium Dioxide*
4	Anti-Moisture Powder	• Dolomite Powder • Calcium Powder • CPW (White Oils) • PE Wax • Dioctyl Phthalate & Dibutyl Phthalate
5	Carbon Noodles	• Calcium Powder • Wax • Dolomite Powder • Chemical Additives
6	Superpack & Onepack	• Resin • Processing AID* • Tin Stabilizer • Impact Modifier* • Titanium Dioxide* • Optical Brightener • Dioctyl Phthalate & Dibutyl Phthalate & CPW (White Oils) • Calcium Powder • Normal Butyl Stearate & Epoxy • Wax Additives
7	Impact Modifier	• Chlorinated Poly ethylene (CPE) • Calcium Powder • Marble Powder • Wax • CPW
8	Processing AID	• Calcium Powder • Marble Powder • Dolomite Powder • Zinc Stearate & Epoxy

9	Titanium Dioxide	• Zinc Stearate • Calcium Stearate • Wax
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*Products are manufactured by our Company and the same are also use by the Company for manufacturing of other products.

Details of Raw Materials procured are as follows:

a. Domestic Procurement

(Figures in Rs. Lakhs)

State	September 30, 2024	%	March 31, 2024	%	March 31, 2023	%	March 31, 2022	%
Punjab	-	-	-	-	-	-	-	-
Haryana	-	-	-	-	-	-	8.71	0.38
Delhi	50.48	2.22	80.05	1.98	30.29	0.97	30.80	1.35
West Bengal	45.56	2.00	42.80	1.06	22.89	0.74	-	-
Gujarat	905.91	39.77	1,546.80	38.32	632.90	20.33	584.36	25.65
Dadar & Nagar Haveli	72.90	3.20	131.08	3.25	269.36	8.65	304.34	13.36
Rajasthan	58.69	2.58	124.30	3.08	118.83	3.82	64.00	2.81
Maharashtra	909.25	39.92	2,094.78	51.90	1,987.41	63.84	1,257.34	55.19
Telangana	-	-	4.51	0.11	4.46	0.14	28.61	1.26
Andhra Pradesh	-	-	12.19	0.30	31.29	1.01	-	-
Tamil Nadu	235.15	10.32	-	-	15.92	0.51	-	-
Total	2,277.94	100.00	4,036.51	100.00	3,113.35	100.00	2,278.16	100.00

*Freight & transportation cost included

Import of Materials:

Country	September 30, 2024	%	March 31, 2023	%	March 31, 2023	%	March 31, 2022	%
China	219.87	45.46	283.36	40.73	295.96	31.89	51.73	21.53
Malaysia	103.99	21.38	244.70	35.17	157.84	17.01	31.63	13.16
Vietnam	160.39	33.16	167.70	24.10	242.76	26.16	39.50	16.44
Indonesia	-	-	-	-	231.54	24.95	117.45	48.87
Total	483.65	100.00	695.76	100.00	928.10	100.00	240.31	100.00

*Freight & transportation cost included

There is no conflict of interest between the supplier/ vendor of any raw material and our Company, its directors, promoters, promoter group, key managerial personnel or its group companies, if any.

HUMAN RESOURCES

Human resource is an asset to any industry. We believe that our employees are the key to the success of our business and hence we have a structured organization plan to take care of the growth and motivation aspects of our team. Our manpower is a prudent mix of experienced and young personnel which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans. Daily wage workers are typically brought in for specific tasks that require immediate attention or extra manpower, helping to meet production demands while controlling labor costs.

The total strength of manpower as on date of this Draft Red Herring Prospectus is 15 employees excluding directors & our promoters. Category wise details are as under:

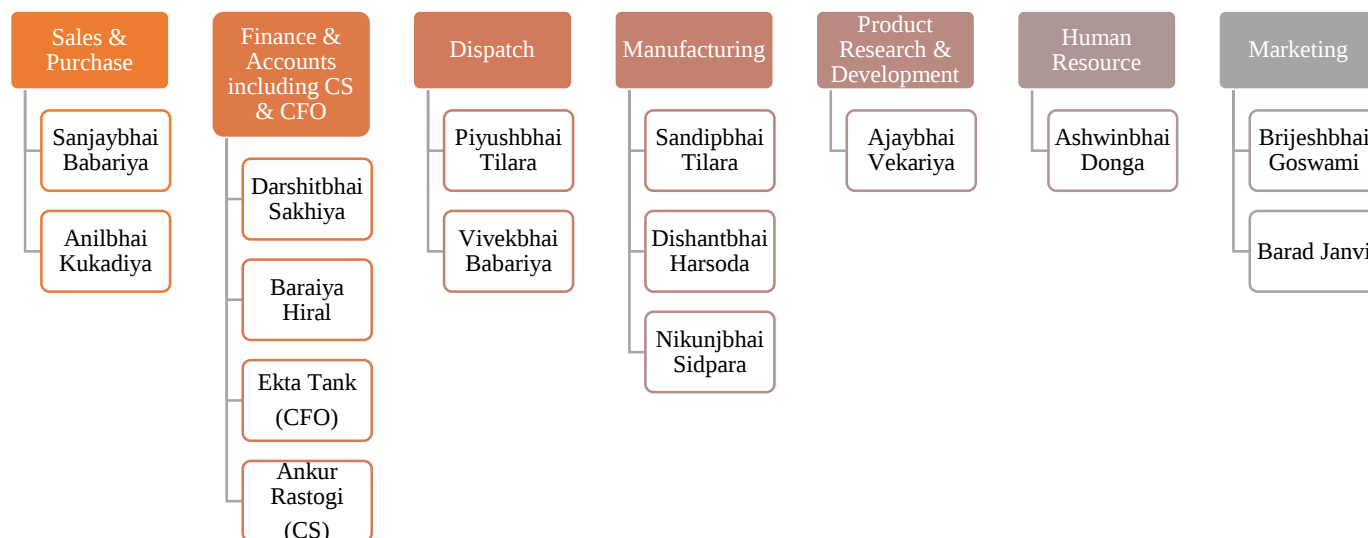
Department	No. of Employees
Sales & Purchase	2
Finance & Accounts including CFO & CS	4
Dispatch	2
Manufacturing	3
Product Research & Development	1
Human Resource	1
Marketing	2

TOTAL	15
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The Company operates with a clear employment structure that focuses on fixed-term employees rather than contractual workers. This approach emphasizes stability and continuity within the workforce, ensuring that all employees have consistent roles and responsibilities. Whenever required the Company employs daily wage workers on an as- needed basis to support the manufacturing process during peak times or special projects. This flexible approach allows the Company to efficiently manage varying workloads without the long-term commitments associated with fixed employment.

Daily wage workers are typically brought in for specific tasks that require immediate attention or extra manpower, helping to meet production demands while controlling labor costs.

The following chart depicts our Management Organization Structure:



Attrition Rate:

Particulars	For the Period ended 30 th September, 2024	For the Period ended 31 th March, 2024	For the Period ended 31 th March, 2023	For the Period ended 31 th March, 2022
No. of employees at the beginning of the period	11	8	7	7
No. of employee addition during the period	4	3	3	Nil
No. of left during the period	0	0	2	Nil
No. of employee at the end of the period	15	11	8	7
#Attrition Rate (In %)	Nil	Nil	26.66%	Nil

Attrition Rate = No of employees left during the period / Average number of employees Average No of employee = (No of employees at the beginning of the period + No of employees at the end of the period) / 2

The Company operates with a clear employment structure that focuses on fixed-term employees rather than contractual workers. This approach emphasizes stability and continuity within the workforce, ensuring that all employees have consistent roles and responsibilities. Whenever required the Company employs daily wage workers on an as- needed basis to support the manufacturing process during peak times or special projects. This flexible approach allows the Company to efficiently manage varying workloads without the long-term commitments associated with fixed employment.

Daily wage workers are typically brought in for specific tasks that require immediate attention or extra manpower, helping to meet production demands while controlling labor costs.

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INFRASTRUCTURE FACILITIES

Information Technology

We adopt efficiency enhancement cum automation activities to streamline operational processes. We undertake industry data analysis in decision making of our business activities. We have also digitalized and automated our key processes such as our billing processes and order booking processes, which helps in easy information dashboards and effective management and decision-making. We believe that the resulting automation and transparency has strengthened the scalability of our operations and will help us in operational expansion and growth that we may undertake in the future.

Research and Development:

Our innovative capability is important to remain competitive in the masterbatch industry in India and to sustain profitable growth. We have dedicated R&D resources, equipped with necessary skills and expertise which helps to innovate the new products range viz with more durability, stability and cost effectiveness. Our R&D activities focus on basic research, the development of new products and manufacturing methods, the optimisation of existing products and manufacturing methods and process improvements. This helps us widen our product offerings to our customers. In addition, our R&D team also works closely with our customers' teams from time to time, to jointly develop customised products to cater to specific requirements identified by them.

PROPERTY DETAILS

Property taken on rent by our company:

S. No.	Particular of the property description	Name of Lessor	Interest with Company	Area (sq ft)	Rent Amt (In ₹)	Tenure of Lease	Usage
1.	307, Sanskar Heights NR RA, Circle 150 FT Ring RD, Mavdi, Rajkot, Gujarat- 360004	Bhaveshbhai Mansukhbhai Harsoda	Promoter & Managing Director of Company	380	6,000/- per month	11 months wef July 01, 2024	Registered Office
2.	Shed on Plot No. 34, R S No. 238, Kothariya, Rajkot, Gujarat	M/s Ripal Polymers	Entity in which Promoter Interested	4500	6,000/- per month	11 months wef July 01, 2024	Manufacturing Unit
3.	Shed No 1 & 3 on Plot No. 10, Kothariya Residence no. 238, Rajkot, Gujarat.	Hetalben Bhaveshbhai Harsoda	Wife of Promoter of Company	1600	6,000/- per month	11 months wef July 01, 2024	Warehouse Purpose
4.	Shed No 4 & 5 on Plot No-10, Veraval Residence no. 242, Paiki 1, Kotda Sangani, Rajkot, Gujarat	Bhaveshbhai Mansukhbhai Harsoda	Promoter & Managing Director of Company	3600	6,000/- per month	11 months wef July 01, 2024	Warehouse Purpose
5.	Shed No 1 & 2 on Plot No-10, Veraval Residence no. 242, Paiki 1, Kotda Sangani, Rajkot, Gujarat	Bhaveshbhai Mansukhbhai Harsoda	Promoter & Managing Director of Company	4000	6,000/- per month	11 months wef July 01, 2024	Warehouse Purpose
6.	Shed on Plot No-8/9, Veraval Residence No. 162/3 (Old Residence no.128) Kotada Sangani, Rajkot, Gujarat	Bhaveshbhai Mansukhbhai Harsoda	Promoter & Managing Director of Company	2500	6,000/- per month	11 months wef July 01, 2024	Warehouse Purpose

Note: all property taken on lease by the Company from the Promoter and Promoter Group of the Company is transacted on an arm's length basis. And the Company has duly paid the stamp duty on execution of such agreements. Additionally, said agreements are executed for a duration of 11 months, therefore company is not required to register the said agreements. Further, conflict of any interest between lessor of immovable property and the Company.

KEY REGULATIONS AND POLICIES

Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 (“Chemical Accidents Rules”):

The Chemical Accidents (Emergency Planning, Preparedness, and Response) Rules, 1996, often referred to as the "Chemical Accidents Rules," are regulations established by the Government of India under the Environment Protection Act, 1986. These rules are aimed at improving safety and preparedness in industries that deal with hazardous chemicals, ensuring effective response in case of chemical accidents. The Chemical Accidents Rules are designed to minimize risks to both human health and the environment by ensuring that adequate preparedness, response, and preventive measures are in place for industries dealing with hazardous chemicals.

Industrial (Development and Regulation) Act, 1951 (the “Industrial Act”):

The Industrial (Development and Regulation) Act, 1951 (IDRA) was enacted by the Government of India to regulate the development and growth of industries in the country. The primary objective of this Act was to ensure the orderly development of industries, promote industrialization, and control the establishment and expansion of industries in India. The Act empowered the government to regulate the establishment, expansion, and management of industrial undertakings in India. It introduced the requirement for businesses to obtain licenses from the government before setting up or expanding industrial operations, particularly for industries that could affect public health, safety, or the environment.

TAX RELATED LEGISLATIONS

Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976:

The Gujarat State Tax on Professions, Trades, Callings, and Employment Act, 1976 was enacted by the Government of Gujarat to impose a tax on individuals engaged in various professions, trades, callings, and employment within the state. The objective of the Act is to generate revenue for the state by taxing income earned from these activities, while also regulating and managing the taxation process.

The Act imposes a tax on individuals or entities engaged in professions, trades, callings, and employment within the state of Gujarat. This includes a wide range of activities, such as business, consultancy, and services. It applies to professionals like doctors, lawyers, accountants, architects, as well as businesses and individuals in various trades and services.

LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED

Gujarat Industrial Policy, 2020:

The Gujarat Industrial Policy, 2020 was introduced by the Government of Gujarat to further boost industrial growth, enhance the state's competitiveness, and promote sustainable development. The policy aims to attract investment, create employment opportunities, and establish Gujarat as a preferred destination for industrial development. The policy emphasizes creating more jobs, particularly for the youth and women, by encouraging new industries and supporting the expansion of existing ones. Special schemes were introduced to incentivize employment generation in sectors like manufacturing, services, and technology.

Gujarat Fire Prevention and Life Safety Measures Act, 2013:

The Gujarat Fire Prevention and Life Safety Measures Act, 2013 was enacted by the Government of Gujarat with the primary objective of ensuring fire safety in buildings and structures, as well as protecting life and property from fire hazards. The Act establishes guidelines and regulations for fire prevention, fire safety measures, and disaster management in various establishments across the state.

The Gujarat Fire Prevention and Life Safety Measures Act, 2013 is a significant piece of legislation aimed at improving fire safety standards and reducing fire-related hazards in the state. By setting clear regulations for building construction, fire safety systems, regular inspections, and training, the Act seeks to ensure that public and private establishments in Gujarat are adequately prepared to handle fire emergencies, safeguarding both lives and property.

Prevention of Black Marketing and Maintenance of Supplies Act, 1980:

The Prevention of Black Marketing and Maintenance of Supplies Act, 1980 (commonly known as the Black-Marketing Act) is a law enacted by the Government of India to curb black marketing, hoarding, and profiteering in essential commodities. The primary objective of the Act is to ensure the availability of essential goods and services at fair prices, prevent artificial scarcity, and protect consumers from exploitation.

HISTORY AND CORPORATE STRUCTURE

Amendments to the Memorandum of Association

Except as stated below, there has been no change in the Memorandum of Association of our Company since its Incorporation:

Date of Meeting	Type of Meeting	Amendments
January 31, 2024	EGM	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of the Company from ₹50.00 Lakh divided into 5,00,000 Equity Shares of ₹10/- each to ₹9.00 Crore divided into 90,00,000 Equity Shares of ₹10/- each.
March 13, 2024	EGM	Alteration in Memorandum of Association due conversion of Company from Private Limited to Public Limited and consequent change in the name of the Company by deletion of the word "Private" i.e. "Renol Polychem Private Limited" to "Renol Polychem Limited" .
March 15, 2024	EGM	Alteration in Main Objects of Memorandum of Association to diversify the range of products offered and for such purpose the main objects of the Company has been amended to reflect all such products in which Company is proposing to deal with in future. The company altered its object from: <i>To carry on business of manufacture, process, buy, sell, exchange, alter, improve, import or export or otherwise, deal in all kinds of Plumbing products, CPVC/UPVC pipes and Fittings, SWR pipes and fittings, Conduit pipes and fittings, garden pipes and fittings, Agriculture Pvc pipes and fittings, Drip irrigations & sprinklers systems, Coleman pipes, cables, wiring systems, lightings Accessories, Switches & Accessories, CP metal Bath Fittings, Fosters, PVC bath fittings, PVC Packaging material, like straps, films, adhesive taps etc.</i> Amended new object in Clause III (A) as follows: <i>To carry on business of manufacturing, processing, extrusioning, moulding, colouring, dipping, processing, exporting, importing, buying, selling, dealing as agents, distributors and dealers of plastic granuals, colour masterbatches, colour pigment, filer granule, anti-moisture powder, carbon powder, carbon noodles resins rubber materials including polythelene, polyvinyl, cellulose acetate, moulding powder, polystyrence, PET, chloride polypropytene and copolymer materials, polyol, isocyanate, chemicals as tin stabiliser, impact modifier, processing aid, one pack stabiliser, titanium dioxide, waxes and lubrication, stearic acid, calcium zinc stabilizer, zinc stearate, calcium stearate, anti-oxidant, dop, dbp, epoxy, cpw, nbs optical brightener, calcium powder.</i> <i>To carry on business of manufacture, process, buy, sell, exchange, alter, improve, import or export or otherwise, deal in all kinds of Plumbing products, CPVC/UPVC pipes and Fittings, SWR pipes and fittings, Conduit pipes and fittings, garden pipes and fittings, Agriculture Pvc pipes and fittings, Drip irrigations & sprinklers systems, Coleman pipes, cables, wiring systems, lightings Accessories, Switches & Accessories, CP metal Bath Fittings, Fosters, pvc bath fittings, Pvc Packaging material, like straps, films, adhesive taps etc.</i>

OUR MANAGEMENT

Name, DIN, Designation, Age, Date of Birth, Father Name, PAN, Nationality, Address, Experience, Occupation, Qualification, Current Term and Date of Appointment	Other Directorships
Bhaveshbhai Mansukhbhai Harsoda DIN: 09236516 Designation: Managing Director Age: 44 Years Date of Birth: 13/02/1980 Father Name: Mansukh Devjibhai Harsoda PAN: ABNPH9743H Nationality: Indian Address: Papaiya Vadi-4, Haridwar Socaytini Same, Near Sagar Holl, Rajkot, Bhaktinagar, Gujarat – 360002 Experience: 15 Years Occupation: Business Qualification:* Current Term: For a period of 3 years and liable to retire by rotation Date of Appointment: June 21, 2024	Directorships in Other Companies: a) Ramev Polyplast Private Limited b) Renol Foods Private Limited c) Vibrant Industrial Park Limited Partnerships: a) M/s Ripal Polymers

**Qualification documents of Mr. Bhaveshbhai Mansukhbhai Harsoda are not traceable. Kindly refer Chapter “Risk Factor” and “Our Management” on page no. 29 and 183 of the Draft Red Herring Prospectus.*

BRIEF PROFILE OF OUR DIRECTORS:

1. Mr. Bhaveshbhai Mansukhbhai Harsoda

Mr. Bhavesh Mansukhbhai Harsoda aged 44 years is a seasoned entrepreneur, has started his entrepreneurship by commencing business in Renol Enterprises (erstwhile Partnership Firm). He has more than 15 years of experience in the manufacturing and supply of Color Masterbatches, Industrial Chemicals, Plastic Masterbatches, and Impact Modifiers. He currently serves as the Promoter and Managing Director of Renol Polychem Limited. He has deep understanding of production processes, particularly in maintaining high standards of product quality. His expertise also extends to strategic procurement, where he has consistently secured raw materials at competitive prices, contributing to the company's operational efficiency and cost-effectiveness. With a proven track record in both production and procurement.

2. Mr. Naitik Hiteshbhai Harsoda

Mr. Naitik Bhaveshbhai Harsoda aged 20 years has started working at his father's Partnership Firm namely Renol Enterprises in the year 2020 as an Employee and undertaken the role of business development. Later, in the said Partnership Firm, Mr. Naitik was appointed as the Partner in terms of Deed of Partnership dated August 29, 2023 which continued till February 2024 i.e. upto the conversion of the said Partnership Firm into the Private Limited Company. In his entrepreneurial journey at a remarkably young age, he has undertaken the role of business development and involved in day to days affairs of the Company. His contributions are multifaceted; he adeptly oversees the Sales & Marketing strategies for our products, purchase and management, leveraging his innate business acumen to growth and market presence. He has experience of approx. 1.6 years of experience in sales, marketing and purchase.

3. Ms. Anjali Hukumbhai Jeshani

Ms. Anjali Hukumbhai Jeshani aged 25 years holds Bachelor of Commerce followed by Master of Commerce from Saurashtra University. She has started her professional journey as Junior Accountant at Dreamaddz, a Advertising agency in January 2020 where she was entrusted with the job of maintaining financial records and processing transaction of the said entity.

Further, she was promoted to the post of Accountant in the same entity and looked after the day-to-day accounting operations, preparing financial report, supporting annual audit process and ensuring compliance with internal and financial regulations. Thereafter, she was elevated as the Senior Accountant at Dreamaddz where she supervised junior accountants, implemented strategies for cost-saving measures and processed improvements that reduced operational costs for the said entity. At Renol, Ms. Anjali has been appointed as a Non-Executive Non-Independent Director where her expertise in financial sector would be beneficial in terms of leveraging her experience in overlooking management's ideas and functioning. She has overall experience of more than 4 years of experience in accounting operations and financial reporting.

4. Mr. Anandbhai Nalinbhai Pathak

Mr. Anandbhai Nalinbhai Pathak aged 46 years holds Bachelor of Commerce and Bachelor of Laws from Saurashtra University. He was associated with Ravi Education as Professor of Accounting from January 2014 to March 2024. His years of experience and expertise in finance offer insightful guidance, ensuring sound financial governance and supporting the Company's growth trajectory. He has overall experience of more than 10 years of experience in accounting and allied financial reporting.

5. Ms. Nikita Gaurav Tank

Nikita Gaurav Tank, aged 33 years, has been appointed as an Independent Director of our Company. She holds a Bachelor of Commerce and a Master of Commerce degree from Saurashtra University, and she further enriched her qualifications with a Master of Business Administration from the National Institute of Business Management. Nikita began her professional career in the accounting firm, where she gained valuable insights into finance and accounting. Ms. Nikita Gaurav Tank having been associated with Shri Chanakya Madhamik School from January 2016 to March 2024 in finance department. She has overall experience of more than 8 years in finance and accounting. Her experience has equipped her with the skills to oversee board decision-making and financial management effectively. Nikita's education and hands-on experience make her well-suited to contribute towards the growth of the Company. Her appointment as an Independent Director reflects our commitment to leveraging diverse expertise for informed governance and sustainable growth."

MANAGEMENT ORGANISATION STRUCTURE

KEY MANAGERIAL PERSONNEL

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification & Term of office	Age (Years)	Year of Joining	Compensation paid for F.Y. ended 2023-24 (in ₹ Lakhs)	Overall experience (in years)#	Previous Employment
Bhaveshbhai Mansukhbhai Harsoda Designation: Managing Director Educational Qualification: Senior Secondary Term of office: 3 years w.e.f. June 21, 2024	44	2024	15	15	Self-employment
Ankur Rastogi Designation: Company Secretary & Compliance Officer Educational Qualification: Company Secretary from Institute of Company Secretaries of India Term of office: w.e.f. July 25, 2024	34	2024	Nil	4	PayMe India Financial Services Private Limited
Ekta Pravinbhai Tank Designation: Chief Financial Officer Educational Qualification: Master of Commerce from Saurashtra University Term of office: w.e.f. June 21, 2024	32	2024	Nil	10	Renol Enterprises*

*Erstwhile Partnership Firm

#Experience considered post obtaining respective qualification

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

2. Mr. Ankur Rastogi

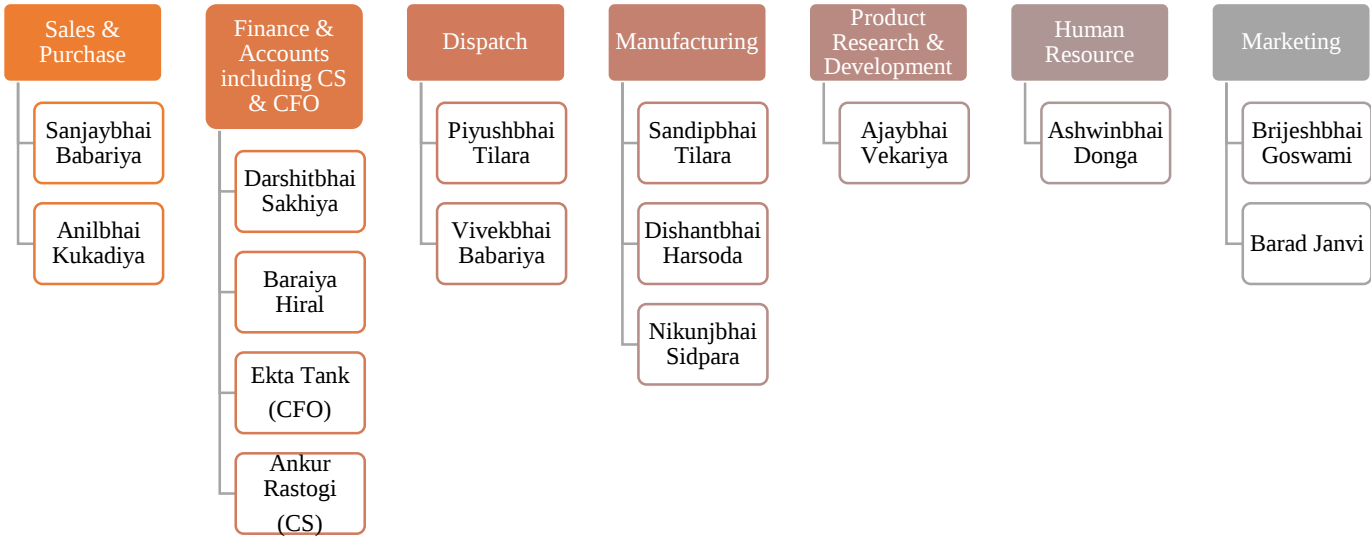
Mr. Ankur Rastogi is compliance professional with over 4 years of experience in managing legal, secretarial, and compliance functions across diverse industries. He has passed the Company Secretary course from Institute of Company Secretaries of India in

2020. He has started his profession as Company Secretary in HM Group of Companies as Manager- Legal & Secretarial post obtaining company secretary qualification. In June 2022 he has joined PayMe India Financial Services Private Limited as Manager-Legal. He has joined Renol as company secretary and compliance officer in July 2024.

3. Ms. Ekta Pravinbhai Tank

Ms. Ekta Pravinbhai Tank has completed her Master of Commerce in the year 2014. She has 10 years of experience in accounting & taxation, tax planning & strategy. She has joined Renol Enterprises (*erstwhile partnership firm*) as accountant in January 2014 and been designated as Chief Financial Officer of our Company with effect from June 21, 2024. She is currently responsible for the overall financial & taxation functions of our Company.

The following chart depicts our Management Organization Structure:



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OUR PROMOTER & PROMOTER GROUP

Brief Profile of our Promoters is as under:

	Bhaveshbhai Mansukhbhai Harsoda - Promoter, Managing Director	
	Qualification	*
	Age	44 Years
	Date of Birth	13/02/1980
	Address	Papaiya Vadi-4, Haridwar Socaytini Same, New Sagar Holl, At. Rajkot, Bhaktinagar, Gujarat-360002
	Experience in business & employment	15 Years
	Occupation	Business
	PAN	ABNPH9743H
	No. of Equity Shares & % of Shareholding (Pre-Issue)	40,93,674 equity shares & 74.57%
	Other Ventures	Directorships in Other Companies: • Ramev Polyplast Private Limited • Renol Food Private Limited • Vibrant Industrial Park Limited Partner: Ripal Polymers HUF: Bhaveshbhai M Harsoda HUF Sole Proprietor: Nil

*Qualification documents of Mr. Bhaveshbhai Mansukhbhai Harsoda are not traceable. Kindly refer Chapter “**Risk Factor**” and “**Our Management**” on page no. 29 and 183 of the Draft Red Herring Prospectus.

2. Corporate Entities or Firms forming part of the Promoter Group:

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

Sr. No.	Nature of Relationship	Name of Entities
1.	Any Body Corporate in which 20% or more of the Equity Share Capital is held by Promoter or an immediate relative of the Promoter or a firm or Hindu Undivided Family (HUF) in which Promoter or any one or more of his immediate relatives are a member.	• Renol Foods Private Limited • Ramev Polyplast Private Limited • Vibrant Industrial Park Limited
2.	Any Body Corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and	Nil
3.	Any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital;	1. Ripal Polymers (Partnership Firm).

SECTION IX – FINANCIAL INFORMATION

FINANCIAL STATEMENT AS RESTATED

Statements of Assets and Liabilities as Restated							
(Amount in ₹ Lakhs)							
Particular		Note	As at September 30, 2024	From February 18, 2024 to March 31, 2024	From April 01, 2023 to February 17, 2024	As at March 31, 2023	As at March 31, 2022
I	EQUITY AND LIABILITIES						
	1 Shareholder's Fund						
	a) Equity Share Capital	10	549.00	549.00	-	-	-
	bi) Reserve and Surplus	11	539.90	320.30	196.24	-	-
	bii) Partner's Capital	11	-	-	50.00	270.63	188.09
	2 Non-current liabilities						
	a) Long Term Borrowings	12	19.82	26.26	27.22	163.00	162.50
	b) Other Long Term Liabilities	13	-	-	-	-	-
	c) Long Term Provision	14	-	-	-	-	-
	3 Current liabilities						
	a) Short Term Borrowings	15	886.84	231.65	950.44	372.65	217.86
	b) Trade Payable	16	213.95	225.94	274.59	177.29	56.84
	c) Other Current Liabilities	17	7.87	30.53	48.24	18.44	38.02
	d) Short Term Provision	18	239.38	165.65	100.87	25.52	5.38
	Total		2,456.77	1,549.33	1,647.60	1,027.53	668.69
II	ASSETS						
	1 Non-current assets						
	a) Property, Plant and Equipment and Intangible Assets	1	36.74	38.63	40.67	21.59	23.81
	b) Non Current Investments	2	19.85	-	-	-	2.26
	c) Deferred Tax Assets (net)	3	4.75	4.38	4.03	1.27	1.09
	d) Other Non Current Assets	4	18.06	17.41	182.53	102.22	80.78
	2 Current assets						
	a) Inventories	5	992.38	692.16	496.38	310.49	120.16
	b) Trade Receivables	6	1,185.66	620.18	744.29	479.22	301.30
	c) Cash and Cash Equivalents	7	111.88	101.37	11.01	12.08	6.49
	d) Short Term Loans and Advances	8	4.15	-	35.99	40.31	53.33
	e) Other Current Assets	9	83.30	75.21	132.68	60.35	79.48
	Total		2,456.77	1,549.33	1,647.60	1,027.53	668.69

Statements of Profit and Loss as Restated							
(Amount in ₹ Lakhs)							
Particular		Note	As on September 30, 2024	From February 18, 2024 to March 31, 2024	From April 01, 2023 February 17, 2024	As on March 31, 2023	As on March 31, 2022
I	Revenue From Operations	19	2,885.87	644.93	4,581.30	4,166.77	2,678.77
II	Other Income	20	16.95	7.38	20.77	18.97	1.48
III	Total Revenue (I + II)		2,902.83	652.31	4,602.07	4,185.74	2,680.25
IV	Expenses						
	Cost of Goods Sold	21	2,461.40	359.93	3,990.69	3,851.14	2,501.71
	Employee Benefits Expenses	22	26.54	11.08	23.00	14.82	14.00
	Finance Costs	23	20.56	10.19	52.57	36.22	16.54
	Depreciation and Amortization Expense	1	6.36	2.04	16.09	2.85	3.88
	Other Expenses	24	94.99	51.24	180.55	182.56	123.44

	Total Expenses		2,609.85	434.48	4,262.91	4,087.60	2,659.57
V	Profit before tax (III- IV)		292.97	217.82	339.17	98.14	20.68
VI	Prior Period Item		-	-	-	-	-
VII	Extraordinary Items		-	-	-	-	-
VIII	Profit before tax (V+VI)		292.97	217.82	339.17	98.14	20.68
I IX	Tax Expense						
a)	Current Tax		(73.74)	(64.78)	(100.87)	(25.52)	(5.38)
b)	Deferred Tax		0.37	0.34	2.77	0.18	0.44
c)	Short/Excess Provision of Last Year		-	-	-	-	-
X	Profit (Loss) for the period (VIII + IX)		219.61	153.39	241.07	72.81	15.75
	Earnings per equity share (Basic)	25	4.00	2.79	48.21	2.69*	0.84*
	Earnings per equity share (Diluted)		4.00**	2.79	4.74	1.00*	0.24*

*In FY 2021-22 and 2022-23, the Company was not in existence and it pertains to erstwhile partnership firm namely "Renol Enterprises"

**No. of shares Included 45,90,000 of Bonus Shares

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL SNAPSHOT

Key Financial Performance Indicators of our Company:

(Amount in Lakhs)

Particulars	As on September 30, 2024	From February 18, 2024 to March 31, 2024	From April 01, 2023 February 17, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from operations ⁽¹⁾	2,885.87	644.93	4,581.30	4,166.77	2,678.77
Revenue CAGR (%) from FY 2022-2024	24.95%				
EBITDA ⁽²⁾	318.32	225.28	391.25	137.52	40.80
EBITDA (%) Margin ⁽³⁾	11.03%	34.93%	8.90%	3.29%	1.53%
EBITDA CAGR (%) from FY 2022-2024	147.43%				
EBIT ⁽⁴⁾	311.96	228.01	391.73	134.37	37.22
ROCE (%) ⁽⁵⁾	30.75%	37.42%	104.33%	32.17%	9.14%
Current ratio ⁽⁶⁾	1.76	2.28	1.03	4.08	5.59
Operating cash flow ⁽⁷⁾	(588.57)	120.2	41.92	-111.04	22.28
PAT ⁽⁸⁾	219.61	153.39	241.06	72.81	15.75
PAT Margin ⁽⁹⁾	7.61%	23.78%	5.26%	1.75%	0.59%
Net Worth ⁽¹⁰⁾	1088.90	869.3	246.24	270.63	18.09
ROE/ RONW ⁽¹¹⁾	22.43%	27.50%	93.28%	31.74%	11.22%
EPS ⁽¹²⁾	4.00	2.79	NA	NA	NA

Note:

- (1) Revenue from operations is the revenue generated from operations by our Company.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses.
- (3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
- (4) EBIT is Earnings before Interest Cost and taxes.
- (5) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt.
- (6) Current Ratio: Current Asset over Current Liabilities.
- (7) Operating Cash Flow: Net cash inflow from operating activities
- (8) PAT is mentioned as profit after tax for the period.
- (9) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- (10) Net Worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.
- (11) ROE/ RONW: Return on Equity is calculated as PAT divided by average shareholders' equity
- (12) EPS: Earning per share is calculated as PAT divide by Weighted No. of equity shares.

1. Bifurcation of PAT in Manufacturing and Trading Activity:

(figures in Rs. Lakh)

Particulars	As on September 30, 2024	From February 18, 2024 to March 31, 2024	From April 01, 2023 February 17, 2024	As on March 31, 2023	As on March 31, 2022
PAT from Manufacturing Activities	190.84	81.00	187.96	51.24	10.33
PAT from Trading Activities	28.77	72.39	53.11	21.57	5.42
Total PAT	219.61	153.39	241.07	72.81	15.75

*Note: The Profit after Tax (PAT) has been bifurcated between both activities based on the ratio of revenue generated from each activity.

FISCAL YEAR ENDED MARCH 31, 2024, COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2023

Justification for Increase in PAT and PAT Margin from Fiscal 2023 to Fiscal 2024 is as detailed herein below:

Particulars	Fiscal 2023 (I)	Fiscal 2024 (II)	Difference (II-I)
A. Revenue from Operations	4,166.77	5,226.23	1,059.46
B. Less: Cost of Goods Sold	3,851.14	4,350.63	499.48
C. Proportion of COGT to Revenue from Operations (B/A)	92.43%	83.24%	9.19%

D. Gross Profit (A-B)	315.62	875.60	559.98
E. Gross Profit Ratio (D/A)	7.57%	16.75%	9.18%
F. Less: Other Expenses*	242.81	481.15	238.34
G. Net Profit (D-F)	72.81	394.45	321.64
Net Profit Ratio (G/A)	1.74%	7.51%	5.77%

*Other Expenses includes Employee Benefit Expenses, Finance Costs, Depreciation & Amortization, Income Tax Expenses and Deferred Tax Expense.

With reference to the table given above, we can observe that the PAT Margin has increased by 5.77% from Fiscal 2023 to Fiscal 2024. The main reason for increase in PAT Margin is due to the increase in Gross Profit of the Company from Rs. 315.62 Lakhs in Fiscal 2023 to Rs. 875.60 Lakhs in Fiscal 2024.

From the table mentioned above, it can be concluded that the GP Ratio was increased by 9.18% from Fiscal 2023 to Fiscal 2024. The main reason for increase in Gross Profit Ratio is that the Cost of Goods Sold was increased by 11.48% (4,350.63 - 3,851.14/ 4,350.63) whereas Revenue from operation increased by 20.27% (5,226.23 - 4,166.77/ 5,226.23). Therefore, in light of the above table, it is clearly evident that the Cost of Goods Sold was increased by Rs. 499.48 Lakhs from Fiscal 2023 to Fiscal 2024 whereas the Revenue from Operations was increased by Rs. 1,059.46 Lakhs from Fiscal 2023 to Fiscal 2024 which directly contributed to increase in PAT.

The Proportion of Cost of Goods Sold to Revenue from Operations was 92.43% in Fiscal 2023 which was decreased to 83.24% in Fiscal 2024. This reduction in proportion of Cost of Goods Traded resulted in increase in Gross Profit. The main reason behind the reduction in proportion of Cost of Goods Sold was because the Company increased its proportion of manufacturing activities from Fiscal 2023 to Fiscal 2024. The average capacity utilization was 59.47% in Fiscal 2023 which increased to 83.79% in Fiscal 2024. Following table depicts the calculation of Capacity Utilization during Fiscal 2023 and 2024:

Capacity Utilization*:

Particulars	2023-24		% of Capacity Utilization	2022-23		% of Capacity Utilization
	Installed	Utilized		Installed	Utilized	
Mixture Machine	6200	5700	91.94%	6200	3850	62.10%
Filler Extruder Machine	480	430	89.58%	480	300	62.50%
Master Batch Extruder Machine	960	900	93.75%	960	480	50.00%
Master Batch Pulverizing Machine	1080	970	89.81%	1080	600	55.56%
Carbon Noodle Extruder Machine	780	420	53.85%	780	524	67.18%
Average Capacity Utilization			83.79%	Average Capacity Utilization		59.47%

*As per the certificate dated November 29, 2024 received from Bhavin Patel & Associates, Chartered Engineer.

Based on the above facts and figures, we can conclude that the increase in PAT Margin was due to increase in Gross Profit by Rs. 559.98 Lakhs whereas the increase in Other Expenses was Rs. 238.34 Lakhs only. Therefore, the PAT increased from Rs. 72.81 Lakhs in Fiscal 2023 to Rs. 394.45 Lakhs in Fiscal 2024 (net increase of Rs. 321.64 Lakhs).

FISCAL YEAR ENDED MARCH 31, 2023, COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022

Justification for Increase in PAT and PAT Margin from Fiscal 2022 to Fiscal 2023 is as detailed herein below:

Particulars	Fiscal 2022 (I)	Fiscal 2023 (II)	Difference (II-I)
A. Revenue from Operations	2,678.77	4,166.77	1,488.00
B. Less: Cost of Goods Sold	2,501.71	3,851.14	1,349.43
C. Proportion of COGT to Revenue from Operations (B/A)	93.39%	92.43%	0.96%
D. Gross Profit (A-B)	177.06	315.62	138.56
E. GP Ratio (D/A)	6.61%	7.57%	0.96%
F. Less: Other Expenses*	161.31	242.81	81.50
G. Net Profit (E-F)	15.75	72.81	57.06
H. NP Ratio (G/A)	0.59%	1.74%	1.15%

*Other Expenses includes Employee Benefit Expenses, Finance Costs, Depreciation & Amortization, Income Tax Expenses and Deferred Tax Expense.

With reference to the table given above, we can observe that the PAT has increased by 1.15% (i.e. 2.95 times of 0.59% NP Ratio for Fiscal 2022 to Fiscal 2023). The main reason for increase in PAT Margin is due to the increase in Gross Profit of the company from Rs. 177.06 Lakhs in Fiscal 2022 to Rs. 315.62 Lakhs in Fiscal 2023.

The main reason behind increase in Gross Profit is due to the reduction in the proportion of Cost of Goods traded to Revenue which was 93.39% in Fiscal 2022 and 92.43% in Fiscal 2023. The main reason behind the reduction in proportion of Cost of Goods Sold was because the company increased its proportion of manufacturing activities from Fiscal 2022 to Fiscal 2023. The average capacity utilization was 28.42% in Fiscal 2022 which increased to 59.47% in Fiscal 2023. Following table depicts the calculation of Capacity Utilization during Fiscal 2022 and 2023:

Capacity Utilization*:

Particulars	2022-23		% of Capacity Utilization	2021-22		% of Capacity Utilization
	Installed	Utilized		Installed	Utilized	
Mixture	6200	3850	62.10%	6200	1740	28.06%
Filler Extruder Machine	480	300	62.50%	480	190	39.58%
Master Batch Extruder Machine	960	480	50.00%	960	260	27.08%
Master Batch Pulverizing Machine	1080	600	55.56%	1080	290	26.85%
Carbon Noodle Extruder Machine	780	524	67.18%	780	160	20.51%
Average Capacity Utilization			59.47%	Average Capacity Utilization		28.42%

*As per the certificate dated November 29, 2024 received from Bhavin Patel & Associates, Chartered Engineer.

Based on the above facts and figures, we can conclude that the increase in PAT Margin was due to increase in Gross Profit by Rs. 138.56 Lakhs whereas the increase in Other Expenses was Rs. 81.50 Lakhs only. Therefore, the PAT increased from Rs. 15.75 Lakhs in Fiscal 2022 to Rs. 72.81 Lakhs in Fiscal 2023 (net increase of Rs. 57.06 Lakhs).

Rationale for increase in PAT and PAT margin of the Company in the stub period

The Company has achieved revenue from operations of Rs. 28.86 Cr in the stub period, compared to Rs. 20.70 Cr in the same period of the previous year, reflecting an increase of Rs. 8.16 Cr. Additionally, the company has maintained a stable PAT margin, with 7.61% in the stub period and 7.55% in the previous full year. The PAT margin calculation is provided below:

Particulars	As of 30 th September, 2024	As of 31 st March, 2024
Profit after Tax	219.61	394.45
Sales	2885.87	5226.23
@PAT Margin	7.61%	7.55%

@PAT Margin = Profit after Tax / Sales

Additionally, during the stub period, the Company incurred Finance Cost of Rs. 20.56 Lakhs in expenses, including Rs.18.98 Lakhs in interest expenses and Rs.1.58 Lakhs in bank charges on imports. In the financial year 2023-24, the total finance cost was Rs. 62.76 Lakhs, comprising Rs.41.42 Lakhs in interest expenses and Rs. 21.34 Lakhs in bank charges, which included Rs.18.30 Lakhs for loan charges and Rs. 3.04 Lakhs for import expenses. This reduction in finance costs is primarily due to a one-time expense of Rs.18.30 Lakhs incurred in 2023-24 for loan conversion and mortgage charges. A detailed breakup is provided below:

Particulars	Amount (Rs. In Lakh)
IndusInd Bank Loan Mortgage Charges	12.65
IndusInd Bank Loan Valuation Charges	0.27
ICICI Bank Cash Credit Renewal Charges	1.25
IndusInd Bank Loan Processing Charges	3.98
Car Loan Processing Charges	0.15
Total Loan Charges	18.30

Also, Loan Interest Rate reduces in Stub Period by 0.65% from 9.20 % in FY 2023-24 to 8.55% in Stub period, indicates reduction in Loan Interest Expenses.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

D. TAX PROCEEDINGS

Nature of Proceedings	Number of cases	Amount involved (in ₹)
Of the Company		
Direct Tax (Income Tax)	-	-
Direct Tax (TDS)	-	-
Indirect Tax (GST)	-	-
Of the Promoters and Directors		
Mr. Bhaveshbhai Mansukhbhai Harsoda (Promoter and Director)	-	-
Mr. Naitikbhai Bhaveshbhai Harsoda (Promoter and Director)	-	-
Mr. Anandbhai Nalinbhai Pathak (Director)	1	370/-
Mrs. Nikita Gaurav Tank (Director)	-	-
Ms. Anjali Hukambhai Jeshani (Director)	-	-

E. LITIGATION INVOLVING ENTITIES/ PERSONS FALLING IN PROMOTERS GROUP

A. Income Tax notices issued against RIPAL POLYMERS having PAN AAKFR8020K

1. Demand outstanding for ₹1,36,070/- along with Accrued Interest of ₹25,840/- with Demand Reference No: 2022202137134469585T for Assessment Year 2021

B. Income Tax notices issued against MANSUKHBHAI D HARSODA (HUF) having PAN AALHM6847C

1. Notice issued for Adjustment u/s 143(1)(a) for Assessment Year: 2018-19, that Prescribed Time Limit u/s 143(1)(a) for submission of response has lapsed. However, ITR Processed with no Demand/Refund.

F. LITIGATION INVOLVING GROUP COMPANY

Nil

GOVERNMENT AND OTHER APPROVALS

VIII. CONTRACTUAL LICENSE AND ENVIRONMENTAL RELATED APPROVALS

As on the date of filing of this Draft Red Herring Prospectus, the Company does not require to obtain any contractual license and environmental related approvals

VII. Material Licenses/approvals for which our Company is yet to apply / Statutory Approvals/Licenses by the Company.

NIL

VIII. Material licenses/approvals for which our Company is applied but not received / Statutory Approvals/Licenses required by the Company.

NIL

SECTION XIII - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

B. Material Documents

9. Copy of Resolution dated December 19, 2024 passed by Audit committee for approval of KPI's certificate;

DECLARATION

We certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Bhaveshbhai Mansukhbhai Harsoda Managing Director DIN: 09236516	Sd/-
Naitik Bhaveshbhai Harsoda Director DIN: 10404190	Sd/-
Anandbhai Nalinbhai Pathak Independent Director DIN: 10543800	Sd/-
Nikita Gaurav Tank Independent Director DIN: 10555187	Sd/-
Anjali Hukambhai Jeshani Independent Director DIN: 10692753	Sd/-

Signed by:

Ekta Pravinbhai Tank Chief Financial Officer	Sd/-
Ankur Rastogi Company Secretary & Compliance Officer	Sd/-

Place: Rajkot

Date: April 04, 2025