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UNILEX COLOURS AND CHEMICALS LIMITED



Our Company was originally incorporated as a Public Limited Company under the name of "Unilex Exports Limited" on March 23, 2001 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra bearing CIN U24239MH2001PLC131352. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on March 26, 2012, the name of our Company was changed from "Unilex Exports Limited" to "Unilex Colours and Chemicals Limited" and a fresh certificate of incorporation consequent upon Change of Name was issued by the Registrar of Companies, Mumbai, Maharashtra vide certificate dated April 14, 2012 bearing CIN U74999MH2001PLC131352. For further details of Incorporation, change of name and registered office of our Company, please refer to chapter titled "History and Corporate Structure" beginning on page 116 of this Red Herring Prospectus.

Registered Office: 106-107, Advent Atria, Chincholi Bunder Road, Malad (W) Mumbai-400064 Maharashtra.

Tel No: +91-22-28886235; **E-mail:** cs@unilexcolours.in; **Website:** https://unilexcolours.in; **Contact Person:** Gourav Mundra, Company Secretary & Compliance Officer

OUR PROMOTERS: PURUSHOTTAM BRIJLAL SHARMA, NARENDRA PARAMESWARAPPA KOTEHALL, ADITYA SHARMA, MANOJKUMAR SHYAMSUNDER SHARMA, ROHIT KRISHNAKUMAR SHARMA AND KABIR RADHEYSHYAM SHARMA

"THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SEBI ICDR REGULATIONS (IPO OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON SME PLATFORM OF NSE."

Company is engaged in the manufacturing of Pigment, and the trading of chemicals and food colours. Our products find diverse applications across various industries such as plastic, rubber, textiles, paper, printing inks, paints and coating.

THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 36,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF UNILEX COLOURS AND CHEMICALS LIMITED ("OUR COMPANY" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 1,92,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 34,08,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.44% AND 25.03% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

- **QIB PORTION:** NOT MORE THAN 50.00% OF THE NET ISSUE
- **NON-INSTITUTIONAL PORTION:** NOT LESS THAN 15.00% OF THE NET ISSUE
- **RETAIL PORTION:** NOT LESS THAN 35.00% OF THE NET ISSUE
- **MARKET MAKER PORTION:** UPTO 1,92,000 EQUITY SHARES OR 5.33% OF THE ISSUE

PRICE BAND: RS. 82 TO RS. 87 PER EQUITY SHARE OF FACE VALUE RS. 10/- EACH

THE FLOOR PRICE IS 8.2 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 8.7 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

BIDS CAN BE MADE FOR A MINIMUM OF 1,600 EQUITY SHARES AND IN MULTIPLES OF 1,600 EQUITY SHARES THEREAFTER.

RISKS TO INVESTORS

- A significant portion of our revenue is generated from sales of our top five products. The loss of customers who purchase these products, or a significant reduction in the production and sales of, or demand for said products may adversely affect our business, financial condition, results of operations and prospects.
- We are dependent upon third parties for trading and supply of the products we sell, with whom we may not had long term contracts or exclusive supply arrangements. Any delay or failure on the part of such vendors to deliver products, may adversely affect our business, profitability and reputation.
- The Merchant Banker associated with the Issue has handled 58 SME public issues in the past three years out of which 1 Issue closed below the Issue Price on listing date.
- Average cost of acquisition of Equity Shares held by the Individual Promoters is

Sr. No.	Name of the Promoters	Average cost of Acquisition (in ₹)
1.	Aditya Sharma	3.11
2.	Manojkumar Shyamsunder Sharma	3.11
3.	Rohit Krishnakumar Sharma	3.11
4.	Kabir Radheyshyam Sharma	3.11
5.	Purushottam Brijlal Sharma	33.64
6.	Narendra Parameswarappa Kotehall	0

- and the Issue Price at the upper end of the Price Band is Rs. 87 per Equity Share.
- The Price/ Earnings ratio based on Diluted EPS for Fiscal 2024 for the company at the upper end of the Price Band is 14.12

- Weighted Average Return on Net worth for Fiscals 2024, 2023 and 2022 is 16.34%.
- The Weighted average cost of acquisition of all Equity Shares transacted in the last 1 year, 18 months and 3 years from the date of RHP is as given below:

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper end of the Price Band (Rs. 87) is 'X' times the weighted Average cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in Rs.)
Last 1 year/ Last 18 months	Nil	NA	0-0
Last 3 years	2.89	30.07	0-70

- The Weighted average cost of acquisition compared to floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price (i.e. ₹ 82)	Cap Price (i.e. ₹ 87)
WACA of primary issuance(exceeding 5% of the pre issue capital)	NA^	NA^	NA^
WACA for secondary sale / acquisition (exceeding 5% of the pre issue capital)	NA^^	NA^^	NA^^
Weighted average cost of acquisition of primary issuances/ secondary transactions as per paragraph 8(c) above	2.89	28.34 times	30.07 times

Note:

^There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of the Red Herring Prospectus.

^^There were no secondary transactions as mentioned in paragraph 8(b) above, in last 18 months from the date of the Red Herring Prospectus.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled "Risk Factors", the details about our Company under the section titled "Our Business" and its financial statements under the section titled "Financial Information of the Company" beginning on page 23, 94 and 141 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

Price Band/ Issue Price shall be determined by our Company and in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the upper end of the Price Band.

For the purpose of making an informed investment decision, the investors should also refer "Risk Factors", "Our Business" and "Financial Statement as restated" beginning on page 23, 94 and 141 respectively of this Red Herring Prospectus.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- Long standing relationships with diversified customers across geographies;
 - We offer a diversified range of products;
 - Catering to wide range of industries;
 - Experienced Promoters and Directors with strong management team having domain knowledge
- e) Research and development capabilities allowing product innovation and customization
- For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled "Our Business" beginning on page 94 of this Red Herring Prospectus.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled "Financial Information of the Company" on page 141 of this Red Herring Prospectus.

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

1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):

As per the Restated Financial Statements:

Sr. No	Financial Year	Basic & Diluted (₹)	Weights
1.	Financial Year ending March 31, 2024	6.16	3
2.	Financial Year ending March 31, 2023	4.96	2
3.	Financial Year ending March 31, 2022	4.70	1
	Weighted Average	5.52	6

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The face value of each Equity Share is ₹ 10.00.
- Earnings per Share has been calculated in accordance with Accounting Standard 20 – "Earnings per Share" issued by the Institute of Chartered Accountants of India.
- The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year
- Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year.

2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ 82/- to ₹ 87/- per Equity Share of Face Value of ₹ 10/- each fully paid up:

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2024	13.31	14.12
P/E ratio based on the Weighted Average EPS, as restated.	14.85	15.76

Industry P/E Ratio*	
Highest (Kesar Petroproducts Limited)	36.51
Lowest (Sudarshan Chemical Industries Ltd)	18.62
Industry Average	27.57

*For the purpose of industry, we believe the companies engaged in the same sector or engaged in the

similar line of business segment, however, they may not be exactly comparable in terms of size or business portfolio on a whole with that of our business. Average PE have been calculated based on the PE of the Peer company of Kesar Petroproducts Limited. & Sudarshan Chemical Industries Ltd.

Note:

- The P/E ratio of our Company has been computed by dividing Issue Price with EPS.
- P/E Ratio of the company is based on the exchange announcement of the company for the year 2024 and stock exchange data dated June 24, 2024.

3. Return on Net worth (RoNW)

Sr. No	Financial Year	RoNW (%)	Weights
1	Period ending March 31, 2024	16.73%	3
2	Period ending March 31, 2023	15.52%	2
3	Period ending March 31, 2022	16.79%	1
	Weighted Average	16.34%	6

Note:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

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

Sr. No.	NAV per Equity Share	(Amount in ₹)
1.	As at March 31, 2022	28.01
2.	As at March 31, 2023	31.97
3.	As at March 31, 2024	36.80
4.	NAV per Equity Share after the Issue	
	i) At Floor Price	48.75
	ii) At Cap Price	50.07
5.	Issue Price	[●]

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- NAV per share=Restated Net worth at the end of the year divided by total number of equity shares outstanding at the end of the year. (Based on weighted average number of shares)
- Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
- Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

5. Comparison of Accounting Ratios with Industry Peers

Name of Company	Current Market Price (₹)	Face Value (₹)	EPS (₹)	PE	RoNW (%) *	Book Value (₹)	Total Income (₹ in Lakhs)
Unilex Colours and Chemicals Limited	[●]	10.00	6.16	[●]	16.73%	36.80	14932.88
Peer Group							
Kesar Petroproducts Ltd.	18.62	1.00	0.51	36.51	3.99%	12.87	15656
Sudarshan Chemical Industries Ltd.	901.35	2.00	48.40	18.62	30.29%	159.84	215882.3

Notes:

- Source – Audited Results for the year ended 2024 and stock exchange data dated 28.06.2024. For our Company, we have taken CMP as the Offer price of equity share. Further, P/E Ratio is based on the CMP of the respective scrip.
- The EPS, NAV, RoNW and revenue from operations of the Company are taken as per Restated Financial Statement for the Financial Year 2023-24 as adjusted with the effect of Bonus Issue.
- P/E Ratio of the company is based on the Audited Results for the year ended 2024 and stock exchange data dated 28.06.2024.

(iv) RoNW has been computed as net profit after tax divided by closing net worth.

(v) Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Offer price is [●] times the face value of equity share

6. Key Performance Indicators

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

The KPIs disclosed below have been approved by a resolution in the Meeting of Audit Committee dated June 27, 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 Red Herring Prospectus. Further, the KPIs herein have been certified by Mittal & Associates, Chartered Accountants, by their certificate dated June 27, 2024.

The KPIs of our Company have been disclosed in the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators" on pages 94 and 176 respectively. We have described and defined the KPIs as applicable in "Definitions and Abbreviations" on page 1 of this Red Herring Prospectus.

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 utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	As of and for the year ended		
	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from Operations ⁽¹⁾	14,385.01	13,939.03	14,527.46
EBITDA ⁽²⁾	430.57	274.01	100.34
EBITDA Margin ⁽³⁾	2.99%	1.97%	0.69%
PAT ⁽⁴⁾	616.67	497.07	471.17
PAT Margin ⁽⁵⁾	4.29%	3.57%	3.24%
RoE ⁽⁶⁾	17.90%	16.54%	17.98%

Notes:

- Revenue from operation means revenue from sales, service and other operating revenues
- EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- "PAT Margin" is calculated as PAT for the year divided by revenue from operations.
- Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	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
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
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.

Continued on next page

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7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Unilex Colours and Chemicals Limited			Kesar Petroproducts Ltd.			Sudarshan Chemical Industries Ltd.		
	FY 2023-24	FY 2022-23	FY 2021-22	FY 2023-24	FY 2022-23	FY 2021-22	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations(1)	14,385.01	13,939.03	14,527.46	14889	11996.0	15309.9	214142.9	197610.5	191891.1
EBITDA(2)	430.57	274.01	100.34	230	657	800.1	58677.1	18147.3	23328.2
EBITDA Margin(3)	2.99%	1.97%	0.69%	1.54%	5.48%	5.23%	27.40%	9.18%	12.16%
PAT(4)	616.67	497.07	471.17	497	47.0	267.3	33512.4	3141.0	10037.6
PAT Margin(5)	4.29%	3.57%	3.24%	3.34%	0.39%	1.75%	15.65%	1.59%	5.23%
RoE(6)	17.93%	16.54%	17.98%	4.08%	0.39%	2.27%	35.01%	3.83%	12.53%

*All the information for listed industry peer mentioned above are on a standalone basis and is sourced from their respective audited/ unaudited financial results and/or annual report.

Notes:

- Revenue from operation means revenue from sales, service and other operating revenues
- EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- PAT Margin is calculated as PAT for the year divided by revenue from operations.
- Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

8. Weighted average cost of acquisition

a) The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

There has been no issuance of Equity Shares other than Equity Shares issued pursuant to a bonus issue on March 18, 2024, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

b) The price per share of our Company based on the secondary sale/ acquisition of shares (equity shares)

There have been no secondary sale/ acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts and transmission of shares), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter/ Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this certificate irrespective of the size of transactions, is as below:

Primary Transactions:

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this Red Herring Prospectus:

Date of Allotment	No. of equity shares allotted	Issue Price per equity shares (₹)	Nature of Allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
March 18, 2024	66,78,000	Nil	Bonus Issue	Other than Cash	Nil

Secondary Transactions:

Date	Name of Transferor	Name of Transferee	No. of Shares	Price Per share	Nature of Transaction	Total Consideration (in ₹ lakhs)
March 16, 2022	Narendra Parameswarappa Kotehalli	Aditya Sharma	1,00,000	70.00	Cash	70.00
		Manojkumar Shyamsunder Sharma	1,00,000	70.00	Cash	70.00
		Rohit Krishnakumar Sharma	1,00,000	70.00	Cash	70.00
		Kabir Radheyshyam Sharma	1,00,000	70.00	Cash	70.00
October 04, 2021	Purushottam Brijlal Sharma	Manojkumar Shyamsunder Sharma	6,50,000	Nil	Gift	0.00
		Rohit Krishnakumar Sharma	6,50,000	Nil	Gift	0.00

Weighted average cost of acquisition & Issue price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price (i.e. ₹ 82/-)	Cap Price (i.e. ₹ 87/-)
Weighted average cost of acquisition of primary/ new issue as per paragraph 8(a) above.	NA^	NA^	NA^
Weighted average cost of acquisition for secondary sale/ acquisition as per paragraph 8(b) above.	NA^^	NA^^	NA^^
Weighted average cost of acquisition of primary issuances/ secondary transactions as per paragraph 8(c) above	2.89	28.34 times	30.07 times

Note:

^There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of this Red Herring Prospectus.

^^There were no secondary transactions as mentioned in paragraph 8(b) above, in last 18 months from the date of this Red Herring Prospectus.

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Marathi edition of regional newspaper Pratahkal where the registered office of the company is situated each with wide circulation.

The Issue Price of ₹ [●] will be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above mentioned information along with "Our Business", "Risk Factors" and "Restated Financial Statements" on pages 94, 23 and 141 respectively of this Red Herring Prospectus to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "Risk Factors" or any other factors that may arise in the future and you may lose all or part of your investments.

BID/ ISSUE PROGRAM

BID/ ISSUE OPENS ON⁽¹⁾: WEDNESDAY, SEPTEMBER 25, 2024

BID/ ISSUE CLOSURES ON: FRIDAY, SEPTEMBER 27, 2024

⁽¹⁾Our Company in consultation with the BRLM may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Issue Opening Date in accordance with the SEBI (ICDR) Regulations, 2018.

In case of any revisions in the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of one working day, subject to the Bid/Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and the terminals of the other members of the Syndicate and by intimation to SCSBs, the Sponsor Bank, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI (ICDR) Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), the "QIB Portion", provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 217 of the Red Herring Prospectus.

Bidders/ Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidders/Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidders/Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk. Bidders/Applicants should ensure that PAN, DP ID and the Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Investors must ensure that their PAN is linked with AADHAR and are in compliance with CBDT Notification dated February 13, 2020 and press release dated June 25, 2021.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS: For information on the main objects and other objects of our Company, see "History and Corporate Structure" on page 116 of the Red Herring Prospectus and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see the section "Material Contracts and Documents for Inspection" on page 256 of the Red Herring Prospectus.

LIABILITY OF MEMBERS AS PER MOA: The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE: The Authorized share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores) divided into 1,50,00,000 (One Crore Fifty Lakhs Only) Equity Shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the Company before the issue Rs.10,01,70,000/- (Rupees Ten Crores One Lakhs Seventy Thousand only) divided into 1,00,17,000 (One Crore One Lakhs) Equity Shares of Rs. 10 each. For details of the Capital Structure, see "Capital Structure" on the page 56 of the Red Herring Prospectus.

NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association of our Company, Purushottam Brijlal Sharma 41,000, Radheyshyam Brijlal Sharma 1,000, Shyamsunder Brijlal Sharma 1,000, Krishnakumar Madanmohan Sharma 1,000, Narendra Parameswarappa Kotehalli 4,000, Aditya Sharma 1,000 and Manjula Sharma 1,000 shares aggregating to 50,000 Equity Shares of Rs.10/- each. Details of the main objects of the Company as contained in the Memorandum of Association, see "History and Corporate Structure" on page 116 of the Red Herring Prospectus. For details of the share capital and capital structure of the Company see "Capital Structure" on page 56 of the Red Herring Prospectus.

LISTING: The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the NSE Emerge. Our Company has received an 'in-principle' approval from the National Stock Exchange of India Limited (hereinafter referred to as NSE) for the listing of the Equity Shares pursuant to letter Ref.: NSE/LIST/4114 dated September 05, 2024. For the purposes of the Issue, the Designated Stock Exchange shall be NSE. A signed copy of the Red Herring Prospectus dated September 18, 2024 has been filed with the RoC and Prospectus shall be filed to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 256 of the Red Herring Prospectus.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. The Red Herring Prospectus has been filed with SEBI. In terms of the SEBI Regulations, the SEBI shall not issue any observation on the Offer Document. Hence there is no such specific disclaimer clause of SEBI. However, investors may refer to the entire Disclaimer Clause of SEBI beginning on page 200 of the Red Herring Prospectus.

DISCLAIMER CLAUSE OF NSE ("NSE EMERGE") (THE DESIGNATED STOCK EXCHANGE): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to the Offer Document for the full text of the 'Disclaimer Clause of NSE.

TRACK RECORD OF BOOK RUNNING LEAD MANAGERS: The Merchant Banker associated with the Issue has handled 58 SME public issues in the past three years out of which 1 Issue closed below the Issue Price on listing date.

GENERAL RISK: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 23 of the Red Herring Prospectus.

ASBA * | Simple, Safe, Smart way of Application- Make use of it!!! *Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below. Mandatory in Public Issues from January 01, 2016. No cheque will be accepted



UPI-Now available in ASBA for Retail Individual Investors (RII)**

Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI – Now available in ASBA for RIIs applying through Registered Brokers, DPs & RTAs. RIIs also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors have to apply through the ASBA process. *ASBA has to be availed by all the investors except anchor investor. UPI may be availed by Retail Individual Investors. For details on the ASBA and the UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 217 of the Red Herring Prospectus. The process is also available on the website of Association of Investment Bankers of India ("AIBI"), the Stock Exchanges and in the General Information Document.

*ASBA forms can be downloaded from the website of NSE ("NSE Emerge")

**List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. HDFC Bank Limited has been appointed as Sponsor Bank for the Issue, in accordance with the requirements of the SEBI circular dated November 1, 2018, as amended. For UPI related queries, investors can contact NPCI at the toll free number-18001201740 and Mail Id- ipo.upi@npci.org.in. For the list of UPI Apps and Banks live on IPO, please refer to the link www.sebi.gov.in. For issue related grievance investors may contact: Hem Securities Limited- Neelkanth Agarwal/ Deeksha Kaku (+91 141 -4051000) (Email Id: ib@hemsecurities.com).

BOOK RUNNING LEAD MANAGER TO THE ISSUE



HEM SECURITIES LIMITED

Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India
Tel. No.: +91- 22- 49060000; **Email:** ib@hemsecurities.com
Investor Grievance ID: redressal@hemsecurities.com
Contact Person: Neelkanth Agarwal/ Deeksha Kaku
Website: www.hemsecurities.com; **SEBI Regn. No.** INM000010981

REGISTRAR TO THE ISSUE

LINK Intime LINK INTIME INDIA PRIVATE LIMITED

Address: C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083 Maharashtra, India
Tel No: +91-8108114949; **Email:** unilex.smeipo@linkintime.co.in
Investor Grievance ID: unilex.smeipo@linkintime.co.in;
Contact Person: Shanti Gopalkrishnan; **Website:** www.linkintime.co.in;
SEBI Regn. No. INR000004058

COMPANY SECRETARY AND COMPLIANCE OFFICER



Gourav Mundra UNILEX COLOURS AND CHEMICALS LIMITED

Registered Office: 106-107, Advent Atria, Chincholi Bunder Road, Malad (W) Mumbai-400064 Maharashtra;
Tel No: +91-22-28886235; **E-mail:** cs@unilexcolours.in; **Website:** <https://unilexcolours.in/>

Investors can contact the Company Secretary and Compliance Officer or the BRLMs or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc.

AVAILABILITY OF RED HERRING PROSPECTUS: Investors are advised to refer to the Red Herring Prospectus and the Risk Factors contained therein before applying in the Issue. Full copy of the Red Herring Prospectus is available on the website of the Company at <https://unilexcolours.in/ipo/> the website of the BRLM to the Issue at www.hemsecurities.com, the website of NSE Emerge at https://www.nseindia.com/companies-listing/corporate-filings-offer-documents#sme_offer respectively.

AVAILABILITY OF BID-CUM-APPLICATION FORMS: Bid-Cum-Application forms can be obtained from the Registered Office of the Company: Unilex Colours and Chemicals Limited, Telephone: +91-22-28886235; BRLM: Hem Securities Limited, Telephone: +91-22-4906 0000 and the Syndicate Members: Hem Finlease Private Limited, Telephone: +91-22-49060000 and at the selected locations of the Sub-Syndicate Members, Registered Brokers, RTAs and CDPs participating in the Issue. Bid-cum-application Forms will also be available on the websites of NSE and the designated branches of SCSBs, the list of which is available at websites of the stock exchanges and SEBI.

ESCROW COLLECTION BANK/ REFUND BANK/ PUBLIC ISSUE ACCOUNT BANK/ SPONSOR BANK: HDFC Bank Limited. **LINK TO DOWNLOAD ABRIDGED PROSPECTUS:** <https://unilexcolours.in/ipo/> **UPI:** Retail Individual Bidders can also Bid through UPI Mechanism.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Red Herring Prospectus.

On behalf of Board of Directors
UNILEX COLOURS AND CHEMICALS LIMITED
 Sd/-
Gourav Mundra
 Company Secretary and Compliance Officer

Place: Mumbai
Date: September 18, 2024

Disclaimer: Unilex Colours and Chemicals Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares the Red Herring Prospectus dated September 18, 2024 has been filed with the Registrar of Companies, Mumbai, and thereafter with SEBI and the Stock Exchanges. The RHP is available on the website of NSE Emerge at https://www.nseindia.com/companies-listing/corporate-filings-offer-documents#sme_offer and is available on the websites of the BRLM at www.hemsecurities.com. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please refer to the Red Herring Prospectus including the section titled "Risk Factors" beginning on page 23 of the Red Herring Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States, and unless so registered, and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. State Securities laws. The Equity Shares are being issued and sold outside the United States in "offshore transactions" in reliance on Regulation "S" under the Securities Act and the applicable laws of each jurisdiction where such issues and sales are made. There will be no public offering in the United States.

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT. THIS DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES. THIS PUBLIC ANNOUNCEMENT IS NOT INTENDED FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY OUTSIDE INDIA.



UNILEX COLOURS AND CHEMICALS LIMITED



Our Company was originally incorporated as a Public Limited Company under the name of "Unilex Exports Limited" on March 23, 2001 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra bearing CIN U24239MH2001PLC131352. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on March 26, 2012, the name of our Company was changed from "Unilex Exports Limited" to "Unilex Colours and Chemicals Limited" and a fresh certificate of incorporation consequent upon Change of Name was issued by the Registrar of Companies, Mumbai, Maharashtra vide certificate dated April 14, 2012 bearing CIN U74999MH2001PLC131352. For further details of Incorporation, change of name and registered office of our Company, please refer to chapter titled "History and Corporate Structure" beginning on page 116 of this Red Herring Prospectus.

Registered Office: 106-107, Advent Atria, Chincholi Bunder Road, Malad (W) Mumbai-400064 Maharashtra.
Tel No: +91-22-28886235; **E-mail:** cs@unilexcolours.in; **Website:** https://unilexcolours.in/; **Contact Person:** Gourav Mundra, Company Secretary & Compliance Officer

OUR PROMOTERS: PURUSHOTTAM BRIJLAL SHARMA, NARENDRA PARAMESWARAPPA KOTEHALL, ADITYA SHARMA, MANOJKUMAR SHYAMSUNDER SHARMA, ROHIT KRISHNAKUMAR SHARMA AND KABIR RADHEYSHYAM SHARMA

"THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SEBI ICDR REGULATIONS (IPO OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON SME PLATFORM OF NSE."

Company is engaged in the manufacturing of Pigment, and the trading of chemicals and food colours. Our products find diverse applications across various industries such as plastic, rubber, textiles, paper, printing inks, paints and coating.

THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 36,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF UNILEX COLOURS AND CHEMICALS LIMITED ("OUR COMPANY" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 1,92,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 34,08,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.44% AND 25.03% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

- **QIB PORTION:** NOT MORE THAN 50.00% OF THE NET ISSUE
- **NON-INSTITUTIONAL PORTION:** NOT LESS THAN 15.00% OF THE NET ISSUE
- **RETAIL PORTION:** NOT LESS THAN 35.00% OF THE NET ISSUE
- **MARKET MAKER PORTION:** UPTO 1,92,000 EQUITY SHARES OR 5.33% OF THE ISSUE

PRICE BAND: RS. 82 TO RS. 87 PER EQUITY SHARE OF FACE VALUE RS. 10/- EACH

THE FLOOR PRICE IS 8.2 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 8.7 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

BIDS CAN BE MADE FOR A MINIMUM OF 1,600 EQUITY SHARES AND IN MULTIPLES OF 1,600 EQUITY SHARES THEREAFTER.

RISKS TO INVESTORS

- A significant portion of our revenue is generated from sales of our top five products. The loss of customers who purchase these products, or a significant reduction in the production and sales of, or demand for said products may adversely affect our business, financial condition, results of operations and prospects.
- We are dependent upon third parties for trading and supply of the products we sell, with whom we may not had long term contracts or exclusive supply arrangements. Any delay or failure on the part of such vendors to deliver products, may adversely affect our business, profitability and reputation.
- The Merchant Banker associated with the Issue has handled 58 SME public issues in the past three years out of which 1 Issue closed below the Issue Price on listing date.
- Average cost of acquisition of Equity Shares held by the Individual Promoters is
- Weighted Average Return on Net worth for Fiscals 2024, 2023 and 2022 is 16.34%.
- The Weighted average cost of acquisition of all Equity Shares transacted in the last 1 year, 18 months and 3 years from the date of RHP is as given below:

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper end of the Price Band (Rs. 87) is 'X' times the weighted Average cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in Rs.)
Last 1 year/ Last 18 months	Nil	NA	0-0
Last 3 years	2.89	30.07	0-70

- The Weighted average cost of acquisition compared to floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price (i.e. ₹ 82)	Cap Price (i.e. ₹ 87)
WACA of primary issuance(exceeding 5% of the pre issue capital)	NA [^]	NA [^]	NA [^]
WACA for secondary sale / acquisition (exceeding 5% of the pre issue capital)	NA ^{^^}	NA ^{^^}	NA ^{^^}
Weighted average cost of acquisition of primary issuances/ secondary transactions as per paragraph 8(c) above	2.89	28.34 times	30.07 times

Note:

[^]There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of the Red Herring Prospectus.

^{^^}There were no secondary transactions as mentioned in paragraph 8(b) above, in last 18 months from the date of the Red Herring Prospectus.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled "Risk Factors", the details about our Company under the section titled "Our Business" and its financial statements under the section titled "Financial Information of the Company" beginning on page 23, 94 and 141 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

Price Band/ Issue Price shall be determined by our Company and in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the upper end of the Price Band.

For the purpose of making an informed investment decision, the investors should also refer "Risk Factors", "Our Business" and "Financial Statement as restated" beginning on page 23, 94 and 141 respectively of this Red Herring Prospectus.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- Long standing relationships with diversified customers across geographies;
- We offer a diversified range of products;
- Catering to wide range of industries;
- Experienced Promoters and Directors with strong management team having domain knowledge
- Research and development capabilities allowing product innovation and customization

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled "Our Business" beginning on page 94 of this Red Herring Prospectus.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled "Financial Information of the Company" on page 141 of this Red Herring Prospectus.

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

1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):

As per the Restated Financial Statements:

Sr. No	Financial Year	Basic & Diluted (₹)	Weights
1.	Financial Year ending March 31, 2024	6.16	3
2.	Financial Year ending March 31, 2023	4.96	2
3.	Financial Year ending March 31, 2022	4.70	1
	Weighted Average	5.52	6

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The face value of each Equity Share is ₹ 10.00.
- Earnings per Share has been calculated in accordance with Accounting Standard 20 – "Earnings per Share" issued by the Institute of Chartered Accountants of India.
- The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year
- Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year.

2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ 82/- to ₹ 87/- per Equity Share of Face Value of ₹ 10/- each fully paid up:

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2024	13.31	14.12
P/E ratio based on the Weighted Average EPS, as restated.	14.85	15.76

Industry P/E Ratio*	
Highest (Kesar Petroproducts Limited)	36.51
Lowest (Sudarshan Chemical Industries Ltd)	18.62
Industry Average	27.57

*For the purpose of industry, we believe the companies engaged in the same sector or engaged in the

similar line of business segment, however, they may not be exactly comparable in terms of size or business portfolio on a whole with that of our business. Average PE have been calculated based on the PE of the Peer company of Kesar Petroproducts Limited. & Sudarshan Chemical Industries Ltd.

Note:

- The P/E ratio of our Company has been computed by dividing Issue Price with EPS.
- P/E Ratio of the company is based on the exchange announcement of the company for the year 2024 and stock exchange data dated June 24, 2024.

3. Return on Net worth (RoNW)

Sr. No	Financial Year	RoNW (%)	Weights
1	Period ending March 31, 2024	16.73%	3
2	Period ending March 31, 2023	15.52%	2
3	Period ending March 31, 2022	16.79%	1
	Weighted Average	16.34%	6

Note:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

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

Sr. No.	NAV per Equity Share	(Amount in ₹)
1.	As at March 31, 2022	28.01
2.	As at March 31, 2023	31.97
3.	As at March 31, 2024	36.80
4.	NAV per Equity Share after the Issue	
	i) At Floor Price	48.75
	ii) At Cap Price	50.07
5.	Issue Price	[*]

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- NAV per share=Restated Net worth at the end of the year divided by total number of equity shares outstanding at the end of the year. (Based on weighted average number of shares)
- Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
- Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

5. Comparison of Accounting Ratios with Industry Peers

Name of Company	Current Market Price (₹)	Face Value (₹)	EPS (₹)	PE	RoNW (%) *	Book Value (₹)	Total Income (₹ in Lakhs)
Unilex Colours and Chemicals Limited	[*]	10.00	6.16	[*]	16.73%	36.80	14932.88
Peer Group							
Kesar Petroproducts Ltd.	18.62	1.00	0.51	36.51	3.99%	12.87	15656
Sudarshan Chemical Industries Ltd.	901.35	2.00	48.40	18.62	30.29%	159.84	215882.3

Notes:

- Source – Audited Results for the year ended 2024 and stock exchange data dated 28.06.2024. For our Company, we have taken CMP as the Offer price of equity share. Further, P/E Ratio is based on the CMP of the respective scrip's.
- The EPS, NAV, RoNW and revenue from operations of the Company are taken as per Restated Financial Statement for the Financial Year 2023-24 as adjusted with the effect of Bonus Issue.
- P/E Ratio of the company is based on the Audited Results for the year ended 2024 and stock exchange data dated 28.06.2024.

(iv) RoNW has been computed as net profit after tax divided by closing net worth.

(v) Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Offer price is [●] times the face value of equity share

6. Key Performance Indicators

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

The KPIs disclosed below have been approved by a resolution in the Meeting of Audit Committee dated June 27, 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 Red Herring Prospectus. Further, the KPIs herein have been certified by Mittal & Associates, Chartered Accountants, by their certificate dated June 27, 2024.

The KPIs of our Company have been disclosed in the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators" on pages 94 and 176 respectively. We have described and defined the KPIs as applicable in "Definitions and Abbreviations" on page 1 of this Red Herring Prospectus.

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 utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	As of and for the year ended		
	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from Operations ⁽¹⁾	14,385.01	13,939.03	14,527.46
EBITDA ⁽²⁾	430.57	274.01	100.34
EBITDA Margin ⁽³⁾	2.99%	1.97%	0.69%
PAT ⁽⁴⁾	616.67	497.07	471.17
PAT Margin ⁽⁵⁾	4.29%	3.57%	3.24%
RoE ⁽⁶⁾	17.90%	16.54%	17.98%

Notes:

- Revenue from operation means revenue from sales, service and other operating revenues
- EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- 'PAT Margin' is calculated as PAT for the year divided by revenue from operations.
- Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	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
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
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.

Continued on next page

Continued from previous page

7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:

Key Financial Performance	(₹ In Lakhs except percentages and ratios)								
	Unilex Colours and Chemicals Limited			Kesar Petroproducts Ltd.			Sudarshan Chemical Industries Ltd.		
	FY 2023-24	FY 2022-23	FY 2021-22	FY 2023-24	FY 2022-23	FY 2021-22	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations(1)	14,385.01	13,939.03	14,527.46	14889	11996.0	15309.9	214142.9	197610.5	191891.1
EBITDA(2)	430.57	274.01	100.34	230	657	800.1	58677.1	18147.3	23328.2
EBITDA Margin(3)	2.99%	1.97%	0.69%	1.54%	5.48%	5.23%	27.40%	9.18%	12.16%
PAT(4)	616.67	497.07	471.17	497	47.0	267.3	33512.4	3141.0	10037.6
PAT Margin(5)	4.29%	3.57%	3.24%	3.34%	0.39%	1.75%	15.65%	1.59%	5.23%
RoE(6)	17.93%	16.54%	17.98%	4.08%	0.39%	2.27%	35.01%	3.83%	12.53%

*All the information for listed industry peer mentioned above are on a standalone basis and is sourced from their respective audited/ unaudited financial results and/or annual report.

Notes:

- Revenue from operation means revenue from sales, service and other operating revenues
- EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- PAT Margin is calculated as PAT for the year divided by revenue from operations.
- Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

8. Weighted average cost of acquisition

a) The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

There has been no issuance of Equity Shares other than Equity Shares issued pursuant to a bonus issue on March 18, 2024, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

b) The price per share of our Company based on the secondary sale/ acquisition of shares (equity shares)

There have been no secondary sale/ acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts and transmission of shares), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter/ Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this certificate irrespective of the size of transactions, is as below:

Primary Transactions:

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this Red Herring Prospectus:

Date of Allotment	No. of equity shares allotted	Issue Price per equity shares (₹)	Nature of Allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
March 18, 2024	66,78,000	Nil	Bonus Issue	Other than Cash	Nil

Secondary Transactions:

Date	Name of Transferor	Name of Transferee	No. of Shares	Price Per share	Nature of Transaction	Total Consideration (in ₹ lakhs)
March 16, 2022	Narendra Parameswarappa Kotehalli	Aditya Sharma	1,00,000	70.00	Cash	70.00
		Manojkumar Shyamsunder Sharma	1,00,000	70.00	Cash	70.00
		Rohit Krishnakumar Sharma	1,00,000	70.00	Cash	70.00
		Kabir Radheyshyam Sharma	1,00,000	70.00	Cash	70.00
October 04, 2021	Purushottam Brijlal Sharma	Manojkumar Shyamsunder Sharma	6,50,000	Nil	Gift	0.00
		Rohit Krishnakumar Sharma	6,50,000	Nil	Gift	0.00

Weighted average cost of acquisition & Issue price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price (i.e. ₹ 82/-)	Cap Price (i.e. ₹ 87/-)
Weighted average cost of acquisition of primary/ new issue as per paragraph 8(a) above.	NA^	NA^	NA^
Weighted average cost of acquisition for secondary sale/ acquisition as per paragraph 8(b) above.	NA^^	NA^^	NA^^
Weighted average cost of acquisition of primary issuances/ secondary transactions as per paragraph 8(c) above	2.89	28.34 times	30.07 times

Note:

^There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of this Red Herring Prospectus.

^^There were no secondary transactions as mentioned in paragraph 8(b) above, in last 18 months from the date of this Red Herring Prospectus.

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Marathi edition of regional newspaper Pratahkal where the registered office of the company is situated each with wide circulation.

The Issue Price of ₹ [●] will be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the abovementioned information along with "Our Business", "Risk Factors" and "Restated Financial Statements" on pages 94, 23 and 141 respectively of this Red Herring Prospectus to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "Risk Factors" or any other factors that may arise in the future and you may lose all or part of your investments.

BID/ ISSUE PROGRAM

BID/ ISSUE OPENS ON⁽¹⁾: WEDNESDAY, SEPTEMBER 25, 2024 BID/ ISSUE CLOSES ON: FRIDAY, SEPTEMBER 27, 2024

"Our Company in consultation with the BRLM may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Issue Opening Date in accordance with the SEBI (ICDR) Regulations, 2018.

In case of any revisions in the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of one working day, subject to the Bid/Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and the terminals of the other members of the Syndicate and by intimation to SCSBs, the Sponsor Bank, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI (ICDR) Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 217 of the Red Herring Prospectus.

Bidders/ Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidders/Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidders/Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk. Bidders/Applicants should ensure that PAN, DP ID and the Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Investors must ensure that their PAN is linked with AADHAR and are in compliance with CBDT Notification dated February 13, 2020 and press release dated June 25, 2021.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS: For information on the main objects and other objects of our Company, see "History and Corporate Structure" on page 116 of the Red Herring Prospectus and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see the section "Material Contracts and Documents for Inspection" on page 256 of the Red Herring Prospectus.

LIABILITY OF MEMBERS AS PER MOA: The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE: The Authorized share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores) divided into 1,50,00,000 (One Crore Fifty Lakhs Only) Equity Shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the Company before the issue Rs.10,01,70,000/- (Rupees Ten Crores One Lakhs Seventy Thousand only) divided into 1,00,17,000 (One Crore One Lakhs) Equity Shares of Rs. 10 each. For details of the Capital Structure, see "Capital Structure" on the page 56 of the Red Herring Prospectus.

NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association of our Company, Purushottam Brijlal Sharma 41,000, Radheyshyam Brijlal Sharma 1,000, Shyamsunder Brijlal Sharma 1,000, Krishnakumar Madanmohan Sharma 1,000, Narendra Parameswarappa Kotehalli 4,000, Aditya Sharma 1,000 and Manjula Sharma 1,000 shares aggregating to 50,000 Equity Shares of Rs.10/- each. Details of the main objects of the Company as contained in the Memorandum of Association, see "History and Corporate Structure" on page 116 of the Red Herring Prospectus. For details of the share capital and capital structure of the Company see "Capital Structure" on page 56 of the Red Herring Prospectus.

LISTING: The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the NSE Emerge. Our Company has received an 'in-principle' approval from the National Stock Exchange of India Limited (hereinafter referred to as NSE) for the listing of the Equity Shares pursuant to letter Ref.: NSE/LIST/4114 dated September 05, 2024. For the purposes of the Issue, the Designated Stock Exchange shall be NSE. A signed copy of the Red Herring Prospectus dated September 18, 2024 has been filed with the RoC and Prospectus shall be filed to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 256 of the Red Herring Prospectus.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. The Red Herring Prospectus has been filed with SEBI. In terms of the SEBI Regulations, the SEBI shall not issue any observation on the Offer Document. Hence there is no such specific disclaimer clause of SEBI. However, investors may refer to the entire Disclaimer Clause of SEBI beginning on page 200 of the Red Herring Prospectus.

DISCLAIMER CLAUSE OF NSE ("NSE EMERGE") (THE DESIGNATED STOCK EXCHANGE): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to the Offer Document for the full text of the Disclaimer Clause of NSE.

TRACK RECORD OF BOOK RUNNING LEAD MANAGERS: The Merchant Banker associated with the Issue has handled 58 SME public issues in the past three years out of which 1 Issue closed below the Issue Price on listing date.

GENERAL RISK: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 23 of the Red Herring Prospectus.

ASBA * | Simple, Safe, Smart way of Application- Make use of it!!! *Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below. Mandatory in Public Issues from January 01, 2016. No cheque will be accepted



UPI-Now available in ASBA for Retail Individual Investors (RII)**

Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI – Now available in ASBA for RIIs applying through Registered Brokers, DPs & RTAs. RIIs also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors have to apply through the ASBA process. ASBA has to be availed by all the investors except anchor investor. UPI may be availed by Retail Individual Investors. For details on the ASBA and the UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 217 of the Red Herring Prospectus. The process is also available on the website of Association of Investment Bankers of India ("AIBI"), the Stock Exchanges and in the General Information Document.

*ASBA forms can be downloaded from the website of NSE ("NSE Emerge")

**List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. HDFC Bank Limited has been appointed as Sponsor Bank for the Issue, in accordance with the requirements of the SEBI circular dated November 1, 2018, as amended. For UPI related queries, investors can contact NPCI at the toll free number-18001201740 and Mail Id- ipo.upi@npci.org.in. For the list of UPI Apps and Banks live on IPO, please refer to the link www.sebi.gov.in. For issue related grievance investors may contact: Hem Securities Limited- Neelkanth Agarwal/ Deeksha Kaku (+91 141 -4051000) (Email Id: ib@hemsecurities.com)

BOOK RUNNING LEAD MANAGER TO THE ISSUE



HEM SECURITIES LIMITED

Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India
Tel. No.: +91- 22- 49060000; Email: ib@hemsecurities.com
Investor Grievance ID: redressal@hemsecurities.com
Contact Person: Neelkanth Agarwal/ Deeksha Kaku
Website: www.hemsecurities.com; SEBI Regn. No. INM000010981

REGISTRAR TO THE ISSUE

LINK Intime LINK INTIME INDIA PRIVATE LIMITED

Address: C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083 Maharashtra, India
Tel No: +91-8108114949; Email: unilex.smeipo@linkintime.co.in
Investor Grievance ID: unilex.smeipo@linkintime.co.in;
Contact Person: Shanti Gopalkrishnan; Website: www.linkintime.co.in;
SEBI Regn. No: INR00004058

COMPANY SECRETARY AND COMPLIANCE OFFICER



Gourav Mundra UNILEX COLOURS AND CHEMICALS LIMITED

Registered Office: 106-107, Advent Atria, Chincholi Bunder Road, Malad (W) Mumbai-400064 Maharashtra;
Tel No: +91-22-28886235; E-mail: cs@unilexcolours.in; Website: https://unilexcolours.in/
Investors can contact the Company Secretary and Compliance Officer or the BRLMs or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc.

AVAILABILITY OF RED HERRING PROSPECTUS: Investors are advised to refer to the Red Herring Prospectus and the Risk Factors contained therein before applying in the Issue. Full copy of the Red Herring Prospectus is available on the website of the Company at https://unilexcolours.in/ipo/ the website of the BRLM to the Issue at www.hemsecurities.com, the website of NSE Emerge at https://www.nseindia.com/companies-listing/corporate-filings-offer-documents#sme_offer respectively.

AVAILABILITY OF BID-CUM-APPLICATION FORMS: Bid-Cum-Application forms can be obtained from the Registered Office of the Company: Unilex Colours and Chemicals Limited, Telephone: +91-22-28886235; BRLM: Hem Securities Limited, Telephone: +91-22-4906 0000 and the Syndicate Members: Hem Finlease Private Limited, Telephone: +91-22-49060000 and at the selected locations of the Sub-Syndicate Members, Registered Brokers, RTAs and CDPs participating in the Issue. Bid-cum-application Forms will also be available on the websites of NSE and the designated branches of SCSBs, the list of which is available at websites of the stock exchanges and SEBI.

ESCROW COLLECTION BANK/ REFUND BANK/ PUBLIC ISSUE ACCOUNT BANK/ SPONSOR BANK: HDFC Bank Limited. LINK TO DOWNLOAD ABRIDGED PROSPECTUS: https://unilexcolours.in/ipo/ UPI: Retail Individual Bidders can also Bid through UPI Mechanism.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Red Herring Prospectus.

On behalf of Board of Directors
UNILEX COLOURS AND CHEMICALS LIMITED
Sd/-
Gourav Mundra
Company Secretary and Compliance Officer

Place: Mumbai
Date: September 18, 2024

Disclaimer: Unilex Colours and Chemicals Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares the Red Herring Prospectus dated September 18, 2024 has been filed with the Registrar of Companies, Mumbai, and thereafter with SEBI and the Stock Exchanges. The RHP is available on the website of NSE Emerge at https://www.nseindia.com/companies-listing/corporate-filings-offer-documents#sme_offer and is available on the websites of the BRLM at www.hemsecurities.com. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please refer to the Red Herring Prospectus including the section titled "Risk Factors" beginning on page 23 of the Red Herring Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States, and unless so registered, and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. State Securities laws. The Equity Shares are being issued and sold outside the United States in "offshore transactions" in reliance on Regulation "S" under the Securities Act and the applicable laws of each jurisdiction where such issues and sales are made. There will be no public offering in the United States.

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT. THIS DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES. THIS PUBLIC ANNOUNCEMENT IS NOT INTENDED FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY OUTSIDE INDIA.



UNILEX COLOURS AND CHEMICALS LIMITED



Our Company was originally incorporated as a Public Limited Company under the name of "Unilex Exports Limited" on March 23, 2001 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra bearing CIN U24239MH2001PLC131352. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on March 26, 2012, the name of our Company was changed from "Unilex Exports Limited" to "Unilex Colours and Chemicals Limited" and a fresh certificate of incorporation consequent upon Change of Name was issued by the Registrar of Companies, Mumbai, Maharashtra vide certificate dated April 14, 2012 bearing CIN U74999MH2001PLC131352. For further details of incorporation, change of name and registered office of our Company, please refer to chapter titled "History and Corporate Structure" beginning on page 116 of this Red Herring Prospectus.

Registered Office: 106-107, Advent Atria, Chincholi Bunder Road, Malad (W) Mumbai-400064 Maharashtra.

Tel No: +91-22-28886235; E-mail: cs@unilexcolours.in; Website://unilexcolours.in; Contact Person: Gourav Mundra, Company Secretary & Compliance Officer

OUR PROMOTERS: PURUSHOTTAM BRIJLAL SHARMA, NARENDRA PARAMESWARAPPA KOTEHAL, ADITYA SHARMA, MANOJKUMAR SHYAMSUNDER SHARMA, ROHIT KRISHNAKUMAR SHARMA AND KABIR RADHEYSHYAM SHARMA

"THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SEBI ICDR REGULATIONS (IPO OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON SME PLATFORM OF NSE."

Company is engaged in the manufacturing of Pigment, and the trading of chemicals and food colours. Our products find diverse applications across various industries such as plastic, rubber, textiles, paper, printing inks, paints and coating.

THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 36,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF UNILEX COLOURS AND CHEMICALS LIMITED ("OUR COMPANY" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ (●) PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF (●) PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ (●) LAKHS ("PUBLIC ISSUE") OUT OF WHICH 1,92,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ (●) PER EQUITY SHARE FOR CASH, AGGREGATING ₹ (●) LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 34,08,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ (●) PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ (●) LAKHS IS HEREIN REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.44% AND 25.03% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

- QIB PORTION: NOT MORE THAN 50.00% OF THE NET ISSUE
- NON-INSTITUTIONAL PORTION: NOT LESS THAN 15.00% OF THE NET ISSUE
- RETAIL PORTION: NOT LESS THAN 35.00% OF THE NET ISSUE
- MARKET MAKER PORTION: UPTO 1,92,000 EQUITY SHARES OR 5.33% OF THE ISSUE

PRICE BAND: RS. 82 TO RS. 87 PER EQUITY SHARE OF FACE VALUE RS. 10/- EACH

THE FLOOR PRICE IS 8.2 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 8.7 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

BIDS CAN BE MADE FOR A MINIMUM OF 1,600 EQUITY SHARES AND IN MULTIPLES OF 1,600 EQUITY SHARES THEREAFTER.

RISKS TO INVESTORS

- A significant portion of our revenue is generated from sales of our top five products. The loss of customers who purchase these products, or a significant reduction in the production and sales of, or demand for said products may adversely affect our business, financial condition, results of operations and prospects.
- We are dependent upon third parties for trading and supply of the products we sell, with whom we may not had long term contracts or exclusive supply arrangements. Any delay or failure on the part of such vendors to deliver products, may adversely affect our business, profitability and reputation.
- The Merchant Banker associated with the Issue has handled 58 SME public issues in the past three years out of which 1 Issue closed below the Issue Price on listing date.
- Average cost of acquisition of Equity Shares held by the Individual Promoters is
- Weighted Average Return on Net worth for Fiscals 2024, 2023 and 2022 is 16.34%.
- The Weighted average cost of acquisition of all Equity Shares transacted in the last 1 year, 18 months and 3 years from the date of RHP is as given below:

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper end of the Price Band (Rs. 87) is 'X' times the weighted Average cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in Rs.)
Last 1 year/ Last 18 months	Nil	NA	0-0
Last 3 years	2.89	30.07	0-70

- The Weighted average cost of acquisition compared to floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price (i.e. ₹ 82)	Cap Price (i.e. ₹ 87)
WACA of primary issuance(exceeding 5% of the pre issue capital)	NA^	NA^	NA^
WACA for secondary sale / acquisition (exceeding 5% of the pre issue capital)	NA^^	NA^^	NA^^
Weighted average cost of acquisition of primary issuances/ secondary transactions as per paragraph 8(c) above	2.89	28.34 times	30.07 times

Note:

^There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of the Red Herring Prospectus.

^^There were no secondary transactions as mentioned in paragraph 8(b) above, in last 18 months from the date of the Red Herring Prospectus.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled "Risk Factors", the details about our Company under the section titled "Our Business" and its financial statements under the section titled "Financial Information of the Company" beginning on page 23, 94 and 141 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

Price Band/ Issue Price shall be determined by our Company and in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is (●) times of the face value at the lower end of the Price Band and (●) times of the face value at the upper end of the Price Band.

For the purpose of making an informed investment decision, the investors should also refer "Risk Factors", "Our Business" and "Financial Statement as restated" beginning on page 23, 94 and 141 respectively of this Red Herring Prospectus.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- Long standing relationships with diversified customers across geographies;
 - We offer a diversified range of products;
 - Catering to wide range of industries;
 - Experienced Promoters and Directors with strong management team having domain knowledge
 - Research and development capabilities allowing product innovation and customization
- For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled "Our Business" beginning on page 94 of this Red Herring Prospectus.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled "Financial Information of the Company" on page 141 of this Red Herring Prospectus.

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

1. Basic & Diluted Earnings per share (EPS) (Face Value of ₹ 10 each):

As per the Restated Financial Statements:

Sr. No	Financial Year	Basic & Diluted (₹)	Weights
1.	Financial Year ending March 31, 2024	6.16	3
2.	Financial Year ending March 31, 2023	4.96	2
3.	Financial Year ending March 31, 2022	4.70	1
	Weighted Average	5.52	6

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The face value of each Equity Share is ₹ 10.00.
- Earnings per Share has been calculated in accordance with Accounting Standard 20 – "Earnings per Share" issued by the Institute of Chartered Accountants of India.
- The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year
- Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year.

2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ 82/- to ₹ 87/- per Equity Share of Face Value of ₹ 10/- each fully paid up:

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2024	13.31	14.12
P/E ratio based on the Weighted Average EPS, as restated	14.85	15.76
Industry P/E Ratio*		
Highest (Kesar Petroproducts Limited)		36.51
Lowest (Sudarshan Chemical Industries Ltd)		18.62
Industry Average		27.57

*For the purpose of industry, we believe the companies engaged in the same sector or engaged in the

similar line of business segment, however, they may not be exactly comparable in terms of size or business portfolio on a whole with that of our business. Average PE has been calculated based on the PE of the peer company of Kesar Petroproducts Limited, & Sudarshan Chemical Industries Ltd.

Note:

- The P/E ratio of our Company has been computed by dividing Issue Price with EPS.
- P/E Ratio of the company is based on the exchange announcement of the company for the year 2024 and stock exchange date dated June 24, 2024.

3. Return on Net worth (RoNW)

Sr. No	Financial Year	RoNW (%)	Weights
1.	Period ending March 31, 2024	16.73%	3
2.	Period ending March 31, 2023	15.52%	2
3.	Period ending March 31, 2022	16.79%	1
	Weighted Average	16.34%	6

Note:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW*Weight) for each year/Total of weights.

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

Sr. No.	NAV per Equity Share	(Amount in ₹)
1.	As at March 31, 2022	28.01
2.	As at March 31, 2023	31.97
3.	As at March 31, 2024	36.80
4.	NAV per Equity Share after the Issue	
	(i) At Floor Price	48.75
	(ii) At Cap Price	50.07
5.	Issue Price	(●)

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- NAV per share=Restated Net worth at the end of the year divided by total number of equity shares outstanding at the end of the year. (Based on weighted average number of shares)
- Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debt or credit balance of profit and loss account.
- Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

5. Comparison of Accounting Ratios with Industry Peers

Name of Company	Current Market Price (₹)	Face Value (₹)	EPS (₹)	PE	RoNW (%)	Book Value (₹ in Lakhs)	Total Income (₹ in Lakhs)
Unilex Colours and Chemicals Limited	(●)	10.00	6.16	(●)	16.73%	36.80	14932.88
Peer Group							
Kesar Petroproducts Ltd.	18.62	1.00	0.51	36.51	3.99%	12.87	15656
Sudarshan Chemical Industries Ltd.	901.35	2.00	48.40	18.62	30.29%	159.84	215882.3

Note:

- Source – Audited Results for the year ended 2024 and stock exchange data dated 28.06.2024. For our Company, we have taken CMP as the Offer price of equity share. Further, P/E Ratio is based on the CMP of the respective scrip.
- The EPS, NAV, RoNW and revenue from operations of the Company are taken as per Restated Financial Statement for the Financial Year 2023-24 as adjusted with the effect of Bonus Issue.
- P/E Ratio of the company is based on the Audited Results for the year ended 2024 and stock exchange data dated 28.06.2024.

(iv) RoNW has been computed as net profit after tax divided by closing net worth.

(v) Net worth has been computed in the manner as specified in Regulation 2(1)(hh) of SEBI (ICDR) Regulations, 2018. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Offer price is (●) times the face value of equity share

6. Key Performance Indicators

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

The KPIs disclosed below have been approved by a resolution in the Meeting of Audit Committee dated June 27, 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 Red Herring Prospectus. Further, the KPIs herein have been certified by Mital & Associates, Chartered Accountants, by their certificate dated June 27, 2024.

The KPIs of our Company have been disclosed in the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators" on pages 94 and 176 respectively. We have described and defined the KPIs as applicable in "Definitions and Abbreviations" on page 1 of this Red Herring Prospectus.

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 utilisation of the proceeds of the Fresh Issue as per the disclosure made in the "Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI (ICDR) Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI (ICDR) Regulations.

Key Performance Indicators of our Company

(₹ in Lakhs except percentages and ratios)

Key Financial Performance	As of and for the year ended		
	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from Operations ⁽¹⁾	14,385.01	13,939.03	14,527.46
EBITDA ⁽²⁾	430.57	274.01	100.34
EBITDA Margin ⁽³⁾	2.99%	1.97%	0.69%
PAT ⁽⁴⁾	616.67	497.07	471.17
PAT Margin ⁽⁵⁾	4.29%	3.57%	3.24%
RoE ⁽⁶⁾	17.90%	16.54%	17.98%

Notes:

- Revenue from operation means revenue from sales, service and other operating revenues
- EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- PAT Margin is calculated as PAT for the year divided by revenue from operations.
- Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	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
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
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.

Continued on next page

Continued from previous page

7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:

Key Financial Performance	Unilix Colours and Chemicals Limited			Kesar Petroproducts Ltd.			Sudarshan Chemical Industries Ltd.		
	FY 2023-24	FY 2023-23	FY 2022-21	FY 2023-24	FY 2022-23	FY 2021-22	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations(1)	14,385.01	13,939.03	14,827.46	14889	11996.0	15309.9	214142.9	1971610.5	191891.1
EBITDA(2)	430.57	274.01	100.34	230	657	800.1	58677.1	18147.3	23282.2
EBITDA Margin(3)	2.99%	1.97%	0.69%	1.54%	5.48%	5.23%	27.40%	0.91%	12.16%
PAT(4)	616.67	497.07	471.17	497	47.0	267.3	33512.4	3141.0	10037.6
PAT Margin(5)	4.29%	3.57%	3.24%	3.34%	0.39%	1.75%	15.65%	1.59%	5.23%
ROE(%) (6)	17.93%	16.54%	17.48%	4.08%	0.39%	2.27%	35.01%	3.83%	12.53%

*All the information for listed industry peer mentioned above are on a standalone basis and is sourced from their respective audited/ unaudited financial results and/or annual report.

- Notes:**
- (1) Revenue from operation means revenue from sales, service and other operating revenues
 - (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
 - (3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
 - (4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
 - (5) PAT Margin is calculated as PAT for the year divided by revenue from operations.
 - (6) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

8. Weighted average cost of acquisition

- The price per share of our Company based on the primary/new issue of shares (equity/ convertible securities)
 - There has been no issuance of Equity Shares other than Equity Shares issued pursuant to a bonus issue on March 18, 2024, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.
- The price per share of our Company based on the secondary sale/ acquisition of shares (equity shares)
 - There have been no secondary sale/ acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts and transmission of shares), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.
 - Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter/ Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this certificate irrespective of the size of the transactions, is as below:

Primary Transactions:

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this Red Herring Prospectus:

Date of Allotment	No. of equity shares allotted	Issue Price per equity shares (₹)	Nature of Allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
March 18, 2024	66,78,000	Nil	Bonus Issue	Other than Cash	Nil

Secondary Transactions:

Date	Name of Transferor	Name of Transferee	No. of Shares	Price Per share	Nature of Transaction	Total Consideration (in ₹ lakhs)
March 16, 2022	Narendra Parameswarappa Kotehalv	Aditya Sharma	1,00,000	70.00	Cash	70.00
		Manojkumar Shyam Sunder Sharma	1,00,000	70.00	Cash	70.00
		Rohit Krishnakumar Sharma	1,00,000	70.00	Cash	70.00
October 04, 2021	Purushottam Brijlal Sharma	Kabir Radehyasharma Sharma	1,00,000	70.00	Cash	70.00
		Manojkumar Shyam Sunder Sharma	6,50,000	Nil	Gift	0.00
		Rohit Krishnakumar Sharma	6,50,000	Nil	Gift	0.00

Weighted average cost of acquisition & Issue price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price (i.e. ₹ 82/-)	Cap Price (i.e. ₹ 87/-)
Weighted average cost of acquisition of primary/ new issue as per paragraph 8(a) above.	NA^	NA^	NA^
Weighted average cost of acquisition of secondary sale/ acquisition as per paragraph 8(b) above.	NA^^	NA^^	NA^^
Weighted average cost of acquisition of primary issuances/ secondary transactions as per paragraph 8(c) above	2.89	28.34 times	30.07 times

Note:

^There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of this Red Herring Prospectus.

^^There were no secondary transactions as mentioned in paragraph 8(b) above, in last 18 months from the date of this Red Herring Prospectus.

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Marathi edition of regional newspaper Pratahkar where the registered office of the company is situated each with wide circulation.

The Issue Price of ₹ 10/- will be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the abovementioned information along with "Our Business", "Risk Factors" and "Restated Financial Statements" on pages 94, 23 and 141 respectively of this Red Herring Prospectus to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "Risk Factors" or any other factors that may arise in the future and you may lose all or part of your investments.

BID/ ISSUE PROGRAM

BID/ ISSUE OPENS ON⁽¹⁾: WEDNESDAY, SEPTEMBER 25, 2024

BID/ ISSUE CLOSES ON: FRIDAY, SEPTEMBER 27, 2024

⁽¹⁾Our Company in consultation with the BRLM may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Issue Opening Date in accordance with the SEBI (ICDR) Regulations, 2018.

In case of any revisions in the Price Band, the Bid / Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and the terminals of the other members of the Syndicate and any intimation to SCSBs, the Sponsor Bank, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

The Issue is being made through the Book Building Process. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI (ICDR) Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), the "QIB Portion", provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RBIs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 217 of the Red Herring Prospectus.

Bidders/ Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidders/Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidders/Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for or unblocking of ASBA Account or for other correspondences(s) related to an Issue. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk. Bidders/Applicants should ensure that PAN, DP ID and Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT Notification dated February 13, 2020 and press release dated June 25, 2021.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS: For information on the main objects and other objects of our Company, see "History and Corporate Structure" on page 116 of the Red Herring Prospectus and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see the section "Material Contracts and Documents for Inspection" on page 256 of the Red Herring Prospectus.

LIABILITY OF MEMBERS AS PER MOA: The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE: The authorized share Capital of the Company is ₹ 15,00,00,000/- (Rupees Fifteen Crores) divided into 1,50,00,000 (One Crore Fifty Lakhs) Only Equity Shares of ₹ 10/- each. The issued, subscribed and paid-up share capital of the Company before the Issue is ₹ 10,01,70,000/- (Rupees Ten Crores One Lakhs Seventy Thousand only) divided into 1,00,17,000 (One Crore One Lakhs) Equity Shares of ₹ 10/- each. For details of the Capital Structure, see "Capital Structure" on page 56 of the Red Herring Prospectus.

NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association of our Company, Purushottam Brijlal Sharma 41,000, Radheyshyam Brijlal Sharma 1,000, Shyam Sunder Brijlal Sharma 1,000, Krishnakumar Madanmohan Sharma 1,000, Narendra Parameswarappa Kotehalv 4,000, Aditya Sharma 1,000 and Manjula Sharma 1,000 shares aggregating to 50,000 Equity Shares of ₹ 10/- each. Details of the main objects of the Company as contained in the Memorandum of Association, see "History and Corporate Structure" on page 116 of the Red Herring Prospectus. For details of the share capital and capital structure of the Company see "Capital Structure" on page 56 of the Red Herring Prospectus.

LISTING: The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the NSE Emerge. Our Company has received an 'in-principle' approval from the National Stock Exchange of India Limited (hereinafter referred to as NSE) for the listing of the Equity Shares pursuant to letter Ref: NSE/LIST/4114 dated September 05, 2024. For the purposes of the Issue, the Designated Stock Exchange shall be NSE. A signed copy of the Red Herring Prospectus dated September 18, 2024 has been filed with the RoC and Prospectus shall be filed to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid / Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 256 of the Red Herring Prospectus.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the Red Herring Prospectus has been filed with SEBI. In terms of the SEBI Regulations, the SEBI shall not issue any observation on the Offer Document. Hence there is no such specific disclaimer clause of SEBI. However, investors may refer to the entire Disclaimer Clause of SEBI beginning on page 200 of the Red Herring Prospectus.

DISCLAIMER CLAUSE OF NSE ("NSE EMERGE") (THE DESIGNATED STOCK EXCHANGE): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to the Offer Document for the full text of the Disclaimer Clause of NSE.

TRACK RECORD OF BOOK RUNNING LEAD MANAGERS: The Merchant Banker associated with the Issue has handled 58 SME public issues in the past three years out of which 1 Issue closed below the Issue Price on listing date.

GENERAL RISK: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they are able to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 23 of the Red Herring Prospectus.

ASBA* | Simple, Safe, Smart way of Application- Make use of it!!! *Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below. Mandatory in Public Issues from January 01, 2016. No cheque will be accepted



UPI-Now available in ASBA for Retail Individual Investors (RII)**

Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI - Now available in ASBA for RIIs applying through Registered Brokers, DPs & RTAs. RIIs also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors have to apply through the ASBA process. ASBA has to be available by all the investors except anchor investor. UPI may be availed by Retail Individual Investors. For details on the ASBA and the UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 217 of the Red Herring Prospectus. The process is also available on the website of Association of Investment Bankers of India ("AIBI"), the Stock Exchanges and in the General Information Document.

*ASBA forms can be downloaded from the website of NSE ("NSE Emerge")

**List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. HDFC Bank Limited has been appointed as Sponsor Bank for the Issue, in accordance with the requirements of the SEBI circular dated November 1, 2016, as amended. For UPI related queries, investors can contact NPCI at the toll free number-18001201740 and Mail ID- upi@npci.org.in. For the list of UPI Apps and Banks live on IPO, please refer to the link www.sebi.gov.in. For issue related grievance investors may contact: Hem Securities Limited- Neelkanth.Agarwal@deeksha.kaku (+91 141-4051000) (Email ID: ib@hemsecurities.com).

BOOK RUNNING LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE

COMPANY SECRETARY AND COMPLIANCE OFFICER

HEM SECURITIES LIMITED

Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India

Tel. No.: +91- 22- 49060000; Email: ib@hemsecurities.com

Investor Grievance ID: redressal@hemsecurities.com

Contact Person: Neelkanth Agarwal/ Deeksha Kaku

Website: www.hemsecurities.com; SEBI Regn. No.: INM000010981

LINK Intime LINK INTIME INDIA PRIVATE LIMITED

Address: C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083 Maharashtra, India

Tel No: +91-8108114949; Email: unilix.smeipo@linkintime.co.in

Investor Grievance ID: unilix.smeipo@linkintime.co.in

Contact Person: Shanti Gopalkrishnan; Website: www.linkintime.co.in;

SEBI Regn. No.: INR000040508

Gourav Mundra UNILIX COLOURS AND CHEMICALS LIMITED

Registered Office: 106-107, Advent Atria, Chincholi Bunder Road, Malad (W) Mumbai-400064 Maharashtra;

Tel No: +91-22-28886235; E-mail: cs@unilixcolours.in; Website: <https://unilixcolours.in/>

Investors can contact the Company Secretary and Compliance Officer or the BRLMs or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc.

AVAILABILITY OF RED HERRING PROSPECTUS: Investors are advised to refer to the Red Herring Prospectus and the Risk Factors contained therein before applying in the Issue. Full copy of the Red Herring Prospectus is available on the website of the Company at <https://unilixcolours.in/ipo/> the website of the BRLM to the Issue at www.hemsecurities.com, the website of NSE Emerge at https://www.nseindia.com/companies-listing/corporate-filings-offer-documents/sme_offer and is available on the websites of the BRLM at www.hemsecurities.com. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please refer to the Red Herring Prospectus including the section titled "Risk Factors" beginning on page 23 of the Red Herring Prospectus.

AVAILABILITY OF BID-CUM-APPLICATION FORMS: Bid-Cum-Application forms can be obtained from the Registered Office of the Company, Unilix Colours and Chemicals Limited, Telephone: +91-22-28886235, BRLM: Hem Securities Limited, Telephone: +91-22-4906 0000 and the Syndicate Members: Hem Finance Private Limited, Telephone: +91-22-49060000 and at the selected locations of the Sub-Syndicate Members, Registered Brokers, RTAs and CDPs participating in the Issue. Bid-cum-application forms will also be available on the websites of NSE and the designated branches of SCSBs, the list of which is available at websites of the stock exchanges and SEBI.

ESCROW COLLECTION BANK/ REFUND BANK/ PUBLIC ISSUE ACCOUNT BANK/ SPONSOR BANK: HDFC Bank Limited. UPI: RETAIL INDIVIDUAL BIDDERS: <https://unilixcolours.in/ipo/>; UPI: RETAIL INDIVIDUAL BIDDERS can also Bid through UPI Mechanism.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Red Herring Prospectus.

On behalf of Board of Directors
UNILIX COLOURS AND CHEMICALS LIMITED
Sd/-
Gourav Mundra
Company Secretary and Compliance Officer

Place: Mumbai
Date: September 18, 2024

Disclaimer: Unilix Colours and Chemicals Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares the Red Herring Prospectus dated September 18, 2024 has been filed with the Registrar of Companies, Mumbai, and thereafter with SEBI and the Stock Exchanges. The RHP is available on the website of NSE Emerge at https://www.nseindia.com/companies-listing/corporate-filings-offer-documents/sme_offer and is available on the websites of the BRLM at www.hemsecurities.com. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please refer to the Red Herring Prospectus including the section titled "Risk Factors" beginning on page 23 of the Red Herring Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States, and unless so registered, and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. State Securities laws. The Equity Shares are being issued and sold outside the United States in "offshore transactions" in reliance on Regulation "S" under the Securities Act and the applicable laws of each jurisdiction where such issues and sales are made. There will be no public offering in the United States.

केंद्राने कच्च्या तेलावरील विंडफॉल टॅक्स शून्यावर आणला; पेट्रोल, डिझेलच्या किंमती कोसळणार ?

मुंबई, दि. १८ (प्रतिनिधी) : पेट्रोल, डिझेलच्या किंमती कमी होतील अशी अपेक्षा असताना केंद्र सरकारने पेट्रोलअंम कॅम्पन्यांना फायदा पोहोचविणारा निर्णय घेतला आहे. केंद्राने कच्च्या तेलाचे उत्पादन करणाऱ्या कंपन्यांवर लावलेला विंडफॉल टॅक्स शून्यावर आणला आहे. हा कर लागू होणार आहे. देशातील पेट्रोल, डिझेलच्या किंमती आवावयात

देवणगासादी जुलै २०२२ मध्ये केंद्राने हा कर लागू केला होता. हा कर कमी केल्याचा फायदा सामान्य ग्राहकांना होणार नाही. परंतु, पेट्रोलअंम कॅम्पन्यांना प्रति टनमागे १८५० रुपयांचा फायदा आहे. विशिष्ट परिस्थितीत मोठा फायदा कमवत असलेल्या कंपन्यांवर हा कर लावला जात होता. दर पंधरा दिवसांनी या कंपन्यांच्या फायद्याचे अवलोकन



केले जात होते. फेब्रुवारी २०२२ मध्ये रेशिया युद्धेन युद्ध भडकल्यानंतर कच्च्या तेलाच्या किंमतीत मोठी वाढ झाली होती. यामुळे तेल कंपन्यांनी तुफान फायदा झाला होता. यामुळे तेलाच्यावर विंडफॉल टॅक्स लावण्यात आला होता. डिझेल, पेट्रोल आणि विमान इंधन (ATF) च्या निर्यातीवरील विशेष अतिरिक्त उत्पादन शुल्क शून्यावर आणण्यात आले आहे,

नवीन दर १६ सेंटवॅग्यारामुलू लागू होतील, असे अधिकृत अधिसूचनेत घटले आहे. डिझेल, पेट्रोल आणि जेट इंधन किंवा ATF च्या निर्यातीवरील SAED देखील 'शून्य' दर काम देण्यात आले आहे. दर १५ दिवसांनी विंडफॉल टॅक्समध्ये बदल केले जात होते. मे महिन्यात हाच कर १६०० रुपये प्रति टन एवढा होता. १ मे रोजी तो घटवून १६०० रुपये प्रति टन

केला गेला होता. दर १६ मे रोजी केलेल्या संशोधनात घटवून ५९०० रुपये प्रति टन करण्यात आला होता. जो आन शून्यावर आणण्यात आला आहे. ऑक्टोबरीच्या सत्रावर कच्च्या तेलाच्या किंमती घसरल्याने कंपन्या आता अचानक फायदा कमवू शकत नाहीत, देशातील इंधनाचे दर वाढवू शकत नाहीत, यामुळे हा निर्णय घेण्यात आला आहे.